SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, ~~1964~~ 1965

No. ~~602~~ 13

WALKER PROCESS EQUIPMENT, INC.,
PETITIONER,

vs.

FOOD MACHINERY AND
CHEMICAL CORPORATION.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

INDEX

RECORD PRESS, PRINTERS, NEW YORK, N. Y., FEBRUARY 11, 1965

[fol. A] [File endorsement omitted]

IN THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

No. 14466

FOOD MACHINERY AND CHEMICAL CORPORATION,
Plaintiff-Appellee,

vs.

WALKER PROCESS EQUIPMENT, INC.,
Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

Honorable Edwin A. Robson, District Judge.

Appendix to Appellant's Brief—Filed March 26, 1964

[fol. 1]

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF ILLINOIS

EASTERN DIVISION

Civil Action No. 60 C 1007

FOOD MACHINERY AND CHEMICAL CORPORATION, Plaintiff,

v.

WALKER PROCESS EQUIPMENT, INC., Defendant.

STATEMENT PURSUANT TO RULE 12(c) OF THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT—January 7, 1964

1. This suit was commenced on June 24, 1960.

2. The plaintiff is Food Machinery and Chemical Corporation, a Delaware corporation. The defendant is Walker Process Equipment, Inc., a corporation of the State of Illinois.

3. The following pleadings have been filed in this action:

(a) Complaint filed June 24, 1960.

(b) Answer and Counterclaim filed July 15, 1960.

(c) Reply to Counterclaim filed February 2, 1961.

(d) Amended Counterclaim filed February 20, 1963.

(e) Second Amended Counterclaim filed June 5, 1963.

4. There has been no arrests made, bail taken or property attached.

[fol. 2] 5. On October 3, 1963, the Honorable Edwin A. Robson entered an order granting plaintiff's motion to dismiss defendant's Second Amended Counterclaim, and dismissing said action without leave to amend and with prejudice.

6. Notice of Appeal from said final order was filed by defendant on October 31, 1963.

Respectfully submitted,

Louis Robertson, Darbo, Robertson & Vandenburgh, P. O. Box 67, 15 North State Road, Arlington Heights, Illinois.

John W. Hofeldt, Haight, Simmons & Hofeldt, 141 West Jackson Boulevard, Chicago 4, Illinois.

January 7, 1964.

[fol. 3]

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

COMPLAINT—Filed June 24, 1960

Plaintiff, Food Machinery and Chemical Corporation, complains of the defendant as follows:

1. Plaintiff, Food Machinery and Chemical Corporation, is a corporation of the State of Delaware, and operates a division, originally known as Chicago Pump Company and presently known as Chicago Pump, Hydrodynamics Division, having its principal office and place of business in Chicago, Illinois.

2. Defendant, Walker Process Equipment, Inc., is a corporation of the State of Illinois, having its principal office and place of business in Aurora, Illinois.

3. The jurisdiction of this court is based on the patent laws of the United States of America.

4. On September 7, 1943, the United States Letters Patent No. 2,328,655 were duly issued in the name of William H. Lannert for an invention in a sewage treatment system. Plaintiff is the owner of the entire right, title and interest in said Letters Patent No. 2,328,655.

5. Defendant has infringed said Patent No. 2,328,655 by making and selling air diffusion units especially adapted for use in sewage tanks designed for an aeration type of sewage treatment and defendant has also actively induced the infringement of said Patent No. 2,328,655 by the City [fol. 4] of Houston, Texas, and perhaps others whose names are not presently known to plaintiff.

6. Defendant was notified with respect to infringement of plaintiff's Patent No. 2,328,655, but defendant nevertheless has wilfully and deliberately proceeded to infringe plaintiff's said Patent No. 2,328,655 as aforementioned.

7. Plaintiff has suffered damage by reason of the aforesaid infringement of defendant.

Wherefore plaintiff prays

1. For an injunction restraining the defendant, its officers, agents, servants and employees from infringing upon the said Letters Patent.

2. For an accounting of damages.

3. For its proper costs and expenses and reasonable attorneys' fees.

4. For such other and further relief as the court may deem just.

Max Dressler, R. Howard Goldsmith, James W. [fol. 5] Clement, Attorneys for Plaintiff, 1825 Prudential Plaza, Chicago 1, Illinois, Telephone: WHitehall 4-4025.

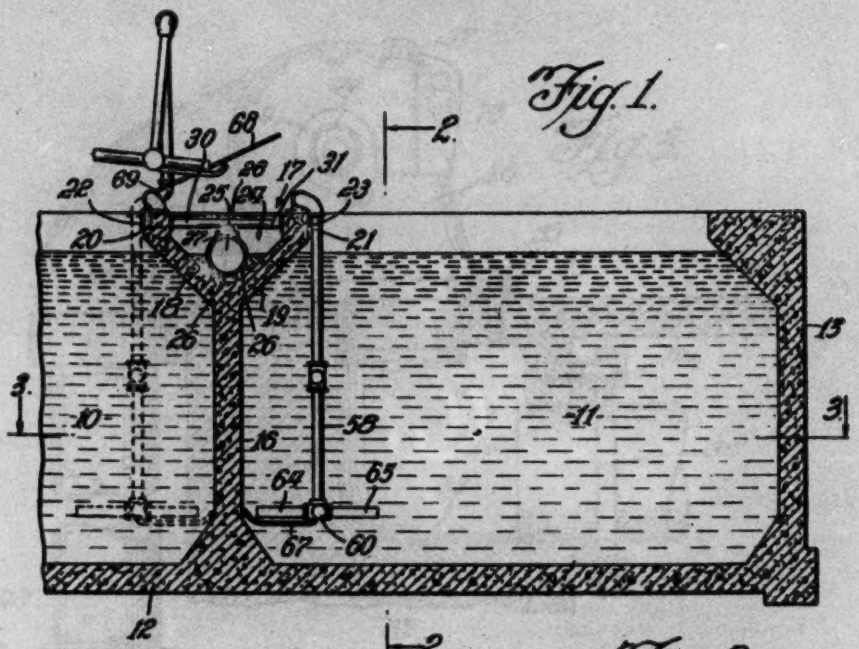
Schneider, Dressler, Goldsmith & Clement, 1825 Prudential Plaza, Chicago, Illinois, Of Counsel.

Sept. 7, 1943. W. H. LANNERT 2,328,655

SEWAGE TREATMENT SYSTEM

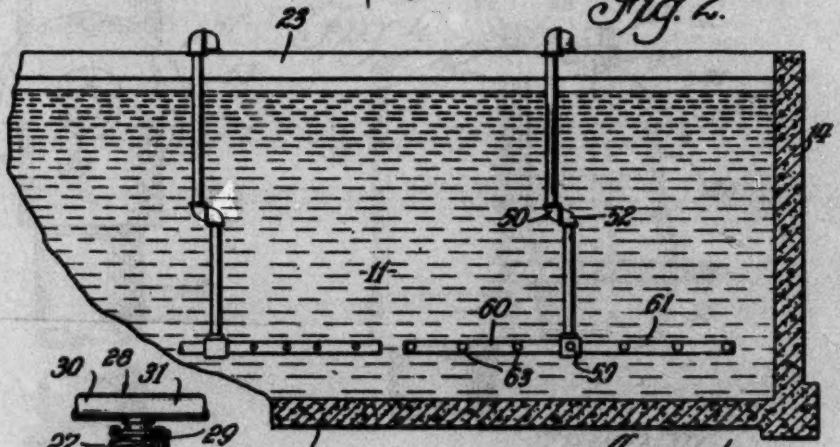
Filed Feb. 2, 1942 2 Sheets-Sheet 1

Fig. 1.



2

Fig. 2.



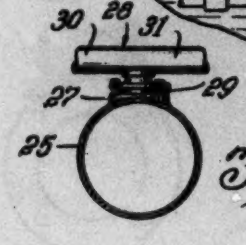


Fig. 5.

Inventor:
William H. Lannert
By: Benjamin Schwartz Atty.

[fol. 6]

In United States District Court

Sept. 7, 1943. W. H. LANNERT 2,328,655

SEWAGE TREATMENT SYSTEM

Filed Feb. 2, 1942 2 Sheets-Sheet 2

Fig. 3.

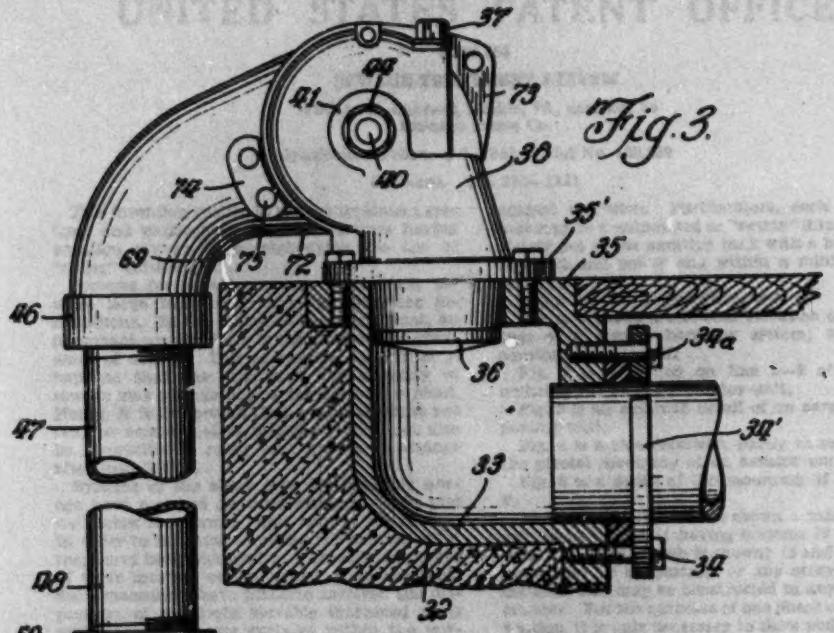
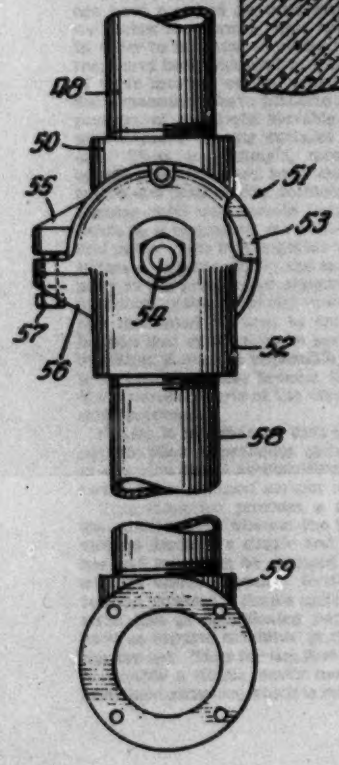
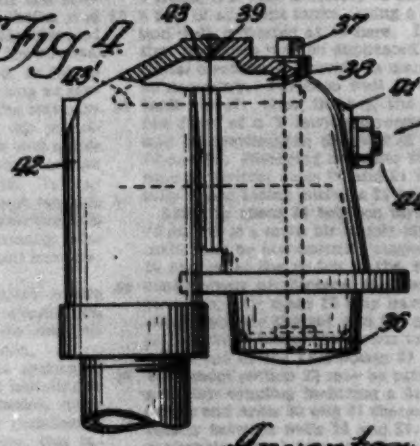


Fig. 4.





Inventor:
William H. Lannert
By: Benjamin Behrmann
Atty.

[fol. 7]

Patented Sept. 7, 1943 2,328,655

UNITED STATES PATENT OFFICE

2,328,655

SEWAGE TREATMENT SYSTEM

William H. Launert, Skokie, Ill., assignor to Chicago Pump Co.

Application February 2, 1942, Serial No. 429,330

6 Claims. (Cl. 261—122)

This invention relates to sewage treatment systems and particularly to those systems having aeration sewage tanks embodying the use of "swing" diffusers.

Systems for aerating sewage customarily involve large tanks and extensive plumbing installations. In the design of a sewage plant, an important consideration is the amount and character of sewage. Due to varying conditions, it happens that the character and quantity of sewage may change during the life of the plant. Hence, it is important that a sewage plant not only be economical to install initially, but also be susceptible to ready and economical change after installation.

Systems of the above type for handling sewage have aerators disposed inside of tanks and well below the normal liquid level of the sewage. In order to facilitate servicing the aerator units, they have been mounted in a manner to permit of their removal or "swinging" from the tank. Such mountings have hitherto involved the disposition of relatively movable machined parts with exposed bearing surfaces within the sewage. Thus, for example, sprocket chains and sprocket wheels have been commonly disposed within the tank readily accessible to the sewage. Aerator units may remain untouched, as far as servicing is concerned, for periods as long as several years. This fact, together with the corrosive nature of liquids within the sewage, due principally to the presence of organic acids and active oxidation, makes it wholly undesirable to expose any machined surfaces to the liquid. It may happen that by the time an aerator unit requires servicing, it may be impossible to move the unit in a normal manner because the normally relatively movable parts of the aerator unit have become corroded.

Hence, it is apparent that infrequent service periods place a premium upon the elimination of any part of the aerator structure not used directly during normal aerator operation.

This invention provides a sewage system of the aeration type wherein the initial installation may be made in a simple and economical manner and may even be changed after installation without undue expense. Furthermore, this invention provides a simple system having aerator units free of complicated packings and which have no exposed machined parts disposed within the sewage. Thus for the first time it is possible to provide a simple, easily movable and readily assembled structure which is inherently protected against corrosion. Furthermore, each aerator unit may be manipulated or "swung" into or completely out of the aeration tank with a minimum of effort and power and within a minimum of space.

Referring now to the drawings:

Figure 1 shows a sectional elevation of a portion of a sewage handling system; with one aerator unit elevated;

Fig. 2 is a section on line 2—2 of Fig. 1; omitting the elevated aerator unit;

Fig. 3 is an enlarged detail of an aerator supporting unit;

Fig. 4 is a side elevation, partly in section, of the pivotal mounting of an aerator unit; and

Fig. 5 is a detail of the mounting of a feeder T.

In the drawings, there is shown a pair of sewage tanks 10 and 11 having bottoms 12 and end walls (only one of each is shown) 13 and 14. The tanks may be of concrete or any other suitable material and may be constructed in any suitable manner. For the purposes of one phase of this invention, it is only necessary to show and describe a pair of adjacent tanks having a common partition wall, indicated at 15 here. It is understood that the tanks may be duplicated in either horizontal direction to provide as many units as may be necessary. Partition wall 15 extends toward tank top 17. Near the top, the partition takes the form of a Y having diverging branches 18 and 19, overhanging the ends of adjacent tanks 10 and 11. Diverging branches 18 and 19 terminate in vertical walls 20 and 21 having horizontally alined facing surfaces 22 and 23.

Lying in space 24 between diverging branches 18 and 19 is a main air supply pipe 25. This air main may be conveniently supported by saddles 26 formed at the crotch of the Y and extending continuously or disposed at intervals along the partition. Air main 25 may have bosses 27 cast along one side thereof and the pipe is installed so that these bosses are on the top side thereof.

Any one of the cast bosses 27 may be drilled. A T feeder section 28 may be connected through a flexible coupling including a flexible ring 29 to a boss and arms 30 and 31 thereof extend transversely between walls 20 and 21. The T section preferably lies below the level determined by faces 22 and 23 and the catwalk and extends into wells 32 formed in the concrete. Each well 32 may contain an elbow 33 flexibly coupled to the T arm and through a flexible ring 34 gripped between the opposing faces of the elbow and a flange 34' mounted on the T arm. Bolts 34a

[fol. 8]

slidable in flange 34' are threaded into elbow 31. Elbow 33 has a base plate 35 to which is bolted a stanchion 36'. Stanchion 36' is hollow and has a valve 36 formed in the base thereof for controlling the flow of air. The valve may be made in any desired manner, and its position may be controlled by a bolt 37 extending upwardly and outwardly from the body of the stanchion. Stanchion 36 has a hollow head 38 having a general bell-shape and provided with a machined annular surface 39 lying in a vertical plane normal to the general plane of common partition 16. The entire stanchion may be a casting of iron or other metal.

Perpendicular to and symmetrical with annular surface 39 is a pivot pin 40 journalled in a boss 41. Carried by pin 40 is an elbow 42 having a machined annular surface 43 in sealing engagement with surface 39. Pivot bolt 40 may engage elbow 42 in any suitable fashion to maintain the same tightly in position against cooperating face 39 of the stanchion. As shown here, elbow 42 has a boss 43' cast in the hollow thereof and this boss is machined and threaded to accommodate the threaded end of pin 40. Nuts 44 on the outer end of pin 40 may maintain the assembly intact. Elbow 42 thus has communication with the air main and is adapted to supply air to an aerator unit. Elbow 42 may have a tapped end 46 into which is threaded a pipe section 47. The bottom end 48 of pipe section 47 is threaded into elbow 50 of an elbow joint 51. Elbows 50 and 52 forming joint 51 have cooperating sealing surfaces 53.

The joint is maintained in assembled relation by a pivot pin 54 threaded into elbow 50 and extending through elbow body 52 to the outside. The pivot pin may be drilled for pressure lubrication and preferably sufficient grease is disposed on all relatively movable surfaces to thoroughly seal against ingress of water. Normally the greased surfaces as well as the air pressure will keep all bearing surfaces sealed from sewage. Lugs 55 and 56 may be provided on elbows 50 and 52, respectively. Lug 55 may be tapped and stop bolt 57 threaded therein to cooperate with lug 56 to limit the swing of the two elbows forming the joint.

The air conduit continues beyond joint 51 in the form of a pipe section 58 extending from elbow 52 and carrying a T coupling 59 at the extreme end. The two pivot pins 40 and 54 and the line of the T 59 are normally parallel. T 59 may have bolted thereto manifolds 60 and 61 normally extending parallel to and spaced a short distance from the adjacent tank wall. These manifolds may have openings therein at spaced intervals along the length thereof, the openings preferably being alined along the median horizontal plane of the manifold in the normal depending position of the aerator unit.

Air diffusers 63 may extend from the manifold openings. These diffusers may be of any suitable material, such as porous ceramic or any solid impermeable material suitably foraminated to permit a general diffusion of air. The size and contour of individual diffusers and proximity between adjacent diffusers may be determined in a manner well-known to the art. The diffusers may be uniformly or non-uniformly disposed on the manifolds as desired. In general, the diffusers extend from the manifolds along horizontal lines normal to the manifolds both toward and away from the adjacent tank wall. Thus, as shown, a series 64 of diffusers extend toward the adjacent tank wall, here partition 16, and a series 65 of diffusers extend away therefrom.

Since air diffusers are generally mechanically weak, it is preferred to provide bumper guards 67 extending from T 59 toward the adjacent tank wall. The length of guards 67 may be adjusted to permit an aerator unit to swing to its predetermined position and stop.

The relative lengths of pipe sections 47 and 58 is unimportant, within limits. It is preferred, however, to proportion the various parts of an aerator unit so that when a unit is elevated or "swung" from the tank, as seen in Fig. 1 for example, the air diffusers clear the stanchion. In fact, the lengths of the pipe sections may be such that a workman may readily contact the air diffusers in their up position.

For raising an aerator unit, any suitable means may be provided. A cable 68 engaging the crook 69 of elbow 42 for elevating is merely illustrative.

Frequently, it is necessary to retain a unit in elevated position during extended servicing or for maintaining an aerator out of service. It is undesirable to engage a hoist under such circumstances. To provide such an anchoring position for the aerator unit, lugs 73 and 74 may be formed on the stanchion and elbow respectively. These lugs are so positioned that in the raised position of the unit the apertures therein register. In order to provide for some flexibility, one lug, here 74, may have an additional aperture 75 adapted to register with the aperture in lug 73 in a different raised aerator position. Any number of such positions may be selected. A pin may be passed through the registering lug apertures and will retain the aerator unit in predetermined elevated position independently of any hoist. It is understood that the air supply is shut off by the valve in the stanchion base during periods of aerator non-use.

It is evident from the foregoing that the initial installation of the plumbing is greatly simplified by the presence of an air main and the use of T's extending directly into the wells. The addition or elimination of feeder T's is simple. By virtue of the flexible couplings both at the T center and ends, substantial misalignment as well as difference in expansion and contraction between concrete and metal may be tolerated. The disposition of the air main in the V of the wall makes drainage around the pipe simple and makes the piping open and readily accessible. Thus, the number and disposition of aerator feeders may be changed at any time. By having overhanging branches of the wall V, the normal depending aerator position is secured by mere hanging from the stanchion pivot. During elevation, the jack-knife action of the two pipe sections greatly reduces the elevating effort and at the same time, brings the air diffusers within reach of an operator on the catwalk. Since the air diffusers are generally the only parts of a unit requiring service, it is important that they be readily accessible.

The number of machined bearing surfaces has been reduced to a minimum and none are exposed to sewage liquids. The manufacture, assembly and replacement of the various parts has been reduced to the simplest and most economical steps while greatly enhancing the efficiency and useful life thereof.

I claim:

1. In an aeration type of sewage treating apparatus, at least one sewage tank, said tank having a side wall with a top portion of said wall

[fol. 9]

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overhanging said tank, a hollow stanchion anchored in said overhanging portion of said wall, an air pipe section pivotally mounted on said stanchion for movement in a vertical plane generally normal to said wall, said pipe section having air communication with the hollow interior of said stanchion, a second pipe section jointedly carried by the free end of said first pipe section, said second pipe section being normally pivotally movable in a vertical plane generally parallel to the plane of movement of said first pipe section, an air diffuser unit carried by the free end of said second pipe section, and means for moving said first pipe section on its pivot so that said two pipe sections may depend into the tank in one position or may be folded in a jack-knife fashion up and out of the tank and over the wall in a raised position.

2. In an aeration type of sewage treating apparatus, at least two sewage tanks having a partition wall therebetween, said wall extending toward the tank tops and having diverging wall branches to form a general Y section, each Y branch overhanging the adjacent tank, a bridging section extending between the free ends of said Y branches to form a generally horizontal walk, an air main nested in said Y and extending along said partition wall, feeder T's below said walk extending from said air main, the T's having sections going to the Y branches on opposite sides of said air main, stanchions anchored in said Y sections, said stanchions being hollow and communicating with said T's and an aerator unit pivotally mounted on each stanchion, said units being disposed in tandem across the partition wall.

3. In an aeration type of sewage treating apparatus, a sewage tank including a tank wall, two jointed air pipe sections normally extending vertically within the tank, an air diffuser unit carried at the free end of the lower of said sections, and means for pivotally mounting the free end of the upper section adjacent the upper edge of said wall and outside of any normal level of the sewage liquid, said pivotal mounting permitting said jointed air pipe sections to hang down into the tank with the air diffuser unit being disposed in said sewage at a predetermined point below the normal liquid level thereof, the diffuser carrying pipe section being adapted to hang vertically at all times when the other pipe section is elevated or dropped, and means for turning said upper pipe section on said pivotal mounting to raise said air diffuser unit up and out of the tank and over the wall thereof or lower the same into the tank.

4. The aeration sewage apparatus of claim 3 wherein means are provided for retaining the jointed pipe sections in a fixed elevated position over said tank wall and within easy reach thereof.

5. In an aeration type of sewage treating apparatus, a sewage tank including a tank wall, a pair of jointed air pipe sections normally extending vertically within the tank, an air diffuser unit carried by the lower of said pipe sections at the free end thereof, means for pivotally mounting the free end of the upper pipe section adjacent the upper edge of said wall and outside of said tank, the joint between said sections being such that said lower pipe section tends to hang vertically in all positions of said upper pipe section, and means for turning said upper pipe section on said pivotal mounting to raise said air diffuser unit up and out of the tank and over the wall thereof or lower the same into the tank.

6. In an aeration type of sewage treating apparatus, at least two tanks having a partition wall in common, said partition wall extending toward the tank tops and having diverging branches to form a general Y section with each Y branch overhanging the adjacent tanks, an air main nested in said Y and extending along said partition wall, feeders extending from said air main to said Y branches, a hollow stanchion anchored in a Y branch for each air feeder pipe, and an aerator unit for each hollow stanchion normally extending vertically within the tank, said unit consisting of a pipe pivotally mounted on said stanchion, a second pipe jointedly secured to the pivotally mounted pipe and an air diffuser carried by said second pipe, the joint between said pipes being such that said second pipe tends to hang vertically in all positions of said pivotally mounted pipe, and means for turning said pivotally mounted pipe to raise the said air diffuser up and out of the tank and over the said wall or lower the same into the tank.

WILLIAM H. LANNERT.

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

AFFIDAVIT IDENTIFYING PATENT COPY

I, Evelyn V. Shellberg, hereby take oath that the attached printed copy of Lannert patent in suit, No. 2,328,655, is a copy obtained from the United States Patent Office as an officially printed copy of said patent.

Evelyn V. Shellberg.

State of Illinois,
County of Cook, ss.:

Subscribed and sworn to before me this 6th day of September, 1962.

Louis Robertson, Notary Public.

(Seal)

[fol. 10]

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[fol. 11]

IN UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

ANSWER AND COUNTERCLAIM FOR DECLARATORY JUDGMENT—Filed July 15, 1960

Defendant, Walker Process Equipment, Inc., answers the Complaint, referring first to the numbered paragraphs thereof, as follows:

1. Defendant, Walker Process Equipment, Inc., admits paragraph 1 of the Complaint.

2. Defendant, Walker Process Equipment, Inc., admits paragraph 2.

3. Defendant, Walker Process Equipment, Inc., admits paragraph 3.

4. Defendant, Walker Process Equipment, Inc., admits the issuance of the patent in suit as stated in paragraph 4, except "duly" which characterization is denied, and for lack of knowledge denies the remainder (2nd sentence) of the paragraph.

5. Defendant, Walker Process Equipment, Inc., denies the allegations of paragraph 5.

6. Defendant, Walker Process Equipment, Inc., denies the allegations of paragraph 6.

7. Defendant, Walker Process Equipment, Inc., denies the allegations of paragraph 7.

Affirmative Defenses

8. Defendant, Walker Process Equipment, Inc., asserts that the patent in suit is invalid in view of the prior art listed in attached Schedule A.

9. Defendant, Walker Process Equipment, Inc., asserts that the patent in suit is invalid especially as to its broader claims for failure to define adequately an inventive concept, if any is disclosed.

10. Defendant, Walker Process Equipment, Inc., asserts that the patent in suit is invalid because its claims define a mere aggregation or exhausted combination.

11. Defendant, Walker Process Equipment, Inc., asserts that the patent in suit is unenforceable because Plaintiff comes to court with unclean hands with respect to the patent in suit and is therefore not entitled to relief. Defendant, Walker Process Equipment, Inc., asserts that this also constitutes violation of the anti-trust laws.

12. The Defendant has at no time knowingly made or sold parts especially adapted for use in an aeration type of sewage treatment, but has only sold parts that constitute staple articles or commodities of commerce, and such parts as sold were for the single installation of Houston where use is and will remain experimental until after the patent expires, such use as a matter of law not constituting infringement.

[fol. 12]

Counterclaim for Declaratory Judgment

13. Plaintiff has submitted itself to the venue of this court and established a controversy under the patent laws by filing this complaint.

14. Paragraphs 8 to 12 of the foregoing Answer are adopted herein by reference as part of the counterclaim.

Prayer for Relief

Wherefore, Defendant, Walker Process Equipment, Inc., prays:

For a declaratory judgment that the patent in suit is invalid and/or is not infringed.

For an award of costs and reasonable attorneys fees herein.

For an award of treble damages.

Walker Process Equipment, Inc., By its attorneys: Louis Robertson, Jones, Darbo & Robertson, 20 North Wacker Drive, Chicago 6, Illinois.

Of Counsel:

Frank J. Belline, Jones, Darbo & Robertson, 20 North Wacker Drive, Chicago 6, Illinois.

[fol. 13] Acknowledgment of Service (omitted in printing).

SCHEDULE A TO ANSWER AND COUNTERCLAIM FOR DECLARATORY JUDGMENT

Nordell	U.S. Patent 2,144,385
Banko	U.S. Patent 1,894,390
Borge	U.S. Patent 2,218,635

Folding piping for filling fuel trucks, of common knowledge, of which examples will be cited when known

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IN UNITED STATES DISTRICT COURT

PLAINTIFF'S ANSWERS TO DEFENDANT'S INTERROGATORIES —Filed February 2, 1961

Interrogatory No. 1

When did Lannert first investigate gas or air supply piping for extending downwardly into a tank and having two pivoted joints connected by riding pipe, a first joint near the top and a second spaced between the first and the bottom to permit a folding of the piping and raising it from the tank (hereafter called "such piping")?

Answer:

Sometime prior to January 6, 1940.

* * * * * * *

Interrogatory No. 3

State the date and location of each installation of one or more such pipings, or if not installed the construction thereof, beginning with the first known to [fol. 14] Plaintiff or with which Lannert had any connection, and continuing thereafter to include the second such installation of public nature.

Answer:

The first completed installation was at the Hunter Air Force Base, Savannah, Georgia, which installation was completed on or about February 28, 1941. The second completed installation was at Camp Shelby, Hattiesburg, Mississippi, sometime after May 8, 1941.

Interrogatory No. 4

As to each such installation or construction designated in response to Interrogatory 3:

A. State the first dates of (1) commencing construction of such piping, (2) shipping such piping, (3) testing such piping, and (4) useful functioning of such piping.

Answer:

4A (1) Sometime after November 5, 1940 and prior to February 19, 1941.

(2) Between December 6, 1940 and February 19, 1941.

(3) On or about February 28, 1941.

(4) On or about February 28, 1941.

* * * * * * *

Interrogatory No. 6

When and where was the first advertising for bids for such piping or installations including such piping?

Answer:

The first advertising for bids was sometime prior to October 23, 1940. Plaintiff does not know at this time whether the first advertising was for the Hunter Air Force Base or for Camp Shelby.

* * * * * * *

[fol. 15] Interrogatory No. 10

Was Lannert an employee of Chicago Pump at the time of the invention and assignment and is he now, and is he a managing agent of Plaintiff?

Answer:

Mr. Lannert was an employee of Chicago Pump at the time of the invention and assignment. Mr. Lannert is no longer employed by Plaintiff and never was a managing agent of either Plaintiff or its predecessor during the term of his employment.

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

REPLY TO COUNTERCLAIM—Filed February 2, 1961

Plaintiff, Food Machinery and Chemical Corporation, replies to the counterclaim of defendant, Walker Process Equipment, Inc., as follows:

13. Plaintiff admits the allegations of paragraph 13 of the counterclaim.

14. Plaintiff replies to paragraphs 8-12, inclusive of the answer, incorporated by reference in paragraph 14 of the counterclaim as follows:

Plaintiff denies the allegations of paragraphs 8-12, inclusive.

Wherefore, Plaintiff prays that the counterclaim of defendant, Walker Process Equipment, Inc., be dismissed

and that Plaintiff be awarded the relief which it seeks in its complaint filed herein.

Max Dressler, R. Howard Goldsmith, James W. [fol. 16] Clement, Attorneys For Plaintiff, 1825 Prudential Plaza, Chicago 1, Illinois, Telephone: WHitehall 4-4025.

Certificate of Service (omitted in printing).

In the United States District Court

Civil Action No. 60-C-1007

Plaintiff's Interrogatory to Defendant—
Filed October 19, 1961

Plaintiff, Food Machinery and Chemical Corporation, requests that defendant, Walker Process Equipment, Inc., answer the following interrogatory in accordance with the Federal Rules of Civil Procedure:

1. State the factual basis for the assertions made in the letter from Mr. Robertson to Mr. Dressler under date of December 18, 1956, copy attached. In answering this interrogatory, the question is asked both with respect to "extensive public use by the owner of the patent" and [fol. 17] "the question of fraud" referred to in said letter. Defendant is also requested to identify all documents upon which the assertions in said letter are based and to state who has custody of said documents, and where they may be available for plaintiff's examination.

R. Howard Goldsmith, Schneider, Dressler, Goldsmith & Clement, Attorneys for Plaintiff.

Certificate of Service (omitted in printing).

ATTACHMENT TO PLAINTIFF'S INTERROGATORY TO DEFENDANT

(Letterhead of Jones, Darbo & Robertson)

(Received Dec 19 1956—Schneider, Dressler & Goldsmith)

December 18, 1956

Mr. Max Dressler
Schneider, Dressler & Goldsmith
Suite 1825
Prudential Plaza
Chicago 1, Illinois

Dear Mr. Dressler:

Re: Lannert Patent 2,328,655

Walker Process Equipment, Inc. has informed us that the subject matter of the above patent was in extensive [fol. 18] public use by the owner of the patent, your client, more than a year prior to the application filing date. You are invited, if you so desire, to check into this and let me know if we are erroneously informed, and any facts you may care to tell us bearing on the question of fraud.

Unless we are given, within two weeks, adequate reason to doubt the correctness of our information, we will assume it is correct.

Yours very truly,

/s/ LOUIS ROBERTSON
for Jones, Darbo & Robertson

LR/nm

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60-C-1007

ANSWER TO PLAINTIFF'S INTERROGATORY 1—
Filed November 6, 1961

Interrogatory 1, the only one filed so far, reads as follows:

"1. State the factual basis for the assertions made in the letter from Mr. Robertson to Mr. Dressler under date of December 18, 1956, copy attached. In answering this interrogatory, the question is asked both with respect to "extensive public use by the owner of the patent" and "the question of fraud" referred to in said letter. Defendant is also requested to identify all documents upon which the assertions in said letter are based and to state who has custody of said documents, and where they may be available for plaintiff's examination."

Answer:

Defendant has no actual knowledge comprising the basis of assertions of extensive public use by the owner of the [fol. 19] patent or of the related question of fraud in filing an oath denying such public use.

A. W. Nelson, Office: Vice President.

State of Illinois,
County of Kane, ss.:

Subscribed and sworn to before me this 26th day of October, 1961.

Helen M. McGeachy, Notary Public.

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

DEFENDANT'S REQUEST FOR ADMISSIONS OF FACT—
Filed January 30, 1962

Under Rule 36, Defendant hereby requests Plaintiff, within ten days after service of this request, to make the

following admissions (to admit the truth of the following statements) for the purpose of this action only, and subject to all pertinent objections to admissibility which may be interposed at the trial. Plaintiff is reminded of the final sentence of Rule 36 (a) requiring specifying so much as is true if a part must be denied.

1. Admissions Exhibits 1 to 6 attached hereto are true copies of papers retained in regular course of business in Plaintiff's files, Exhibits 2 to 6 having been received or written by Plaintiff soon within a few days of the dates therein (except that "Jan. 20, 1940" should be "Jan. 20, 1941") and the Shop order Exhibit 1 having been written and issued by Plaintiff about Nov. 5, 1940. (Reference to Plaintiff here and throughout includes Plaintiff's predecessors in business).

[fol. 20] 2. All of said exhibits relate to swing diffuser equipment according to the patent in suit, including piping carrying diffusers at the bottom and, pivoted to an air supply connection at the upper end and having a pivoted knee intermediate the ends.

3. The swing diffuser equipment of the patent in suit was installed and operating usefully in an aeration tank for sewage treatment accessible to persons unrestricted as to divulging details thereof, as early as Jan. 22, 1941.

4. The swing diffuser equipment of the patent in suit was sold and delivered and installed in aeration tanks by Jan. 1, 1941.

5. The sale of swing diffuser equipment referred to in Statement 4 was an outright sale at a full commercial price.

6. Another set of swing diffuser equipment according to the patent in suit was ordered for another installation, Camp Shelby, prior to Oct. 23, 1940 as shown by Shop Order 58055 written on or about that date.

7. The swing diffusers of Statement 6 were shipped on or about the week of Nov. 11, 1940.

8. The papers from which said Exhibits 1 to 6 were copied were in files in the files of Plaintiff's attorney when he prepared "Plaintiff's Answers to Defendant's Interrogatories" sworn to by Milton Spiegel the 1st day of Feb. 1961.

9. Milton Spiegel, when signing the paper of Statement 8* knew that Answers to Interrogatory 4A (1) were evasive and that nonevasive answers would have admitted unequivocally dates earlier than Feb. 2, 1941, the date one year before the filing date of the application for the patent in suit.

10. Plaintiff's attorney, in preparing the answers of Statement 8* knew that answers to Interrogatory 4A (1) [fol. 21] were evasive and that nonevasive answers would have admitted unequivocally dates earlier than Feb. 2, 1941, the date one year before the filing date of the application for the patent in suit.

11. Plaintiff did not inform the Patent Office of the sale, installation or use of swing diffuser equipment referred to in Exhibits 1 to 6, and filed the usual oath denying public use or sale more than a year before the filing of the application.

12. Plaintiff's counsel, after a request for more specific answers to the interrogatories replied in a letter of June 15, 1961, of which Exhibit 7 is a true copy, ignoring the crossed out additions.

13. Defendant's counsel selected the originals of Exhibits 1 to 6 for copying and so indicated to Plaintiff's counsel on or about December 15, 1961, but in spite of reminders, copies were not sent to Defendant's counsel until January 23, 1962.

Louis Robertson, Darbo, Robertson & Vandenburgh,
15 North State Road, Arlington Heights, Illinois,
Attorney for Defendant.

Certificate of Service (omitted in printing).

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* Meaning "Plaintiff's Answers to Defendant's Interrogatories," referred to in Statement 6 above.

[fol. 22]

ADMISSIONS EXHIBIT 1

(See opposite) ☞

CHICAGO PUMP COMPANY

SHOP ORDER

PENNSYLVANIA

ESPY PAVING & CONSTRUCTION CO

S.O. 58172

SAVANNAH AIRPORT, SAVANNAH GA DEC 6 1940

SHEET 1 OF 2

U.S.CONSTRUCTING QUARTERMASTER -SAVANNAH AIRPORT

SHIP THIS DATE BY NOV.29

SAVANNAH GA - FOR ACCT.OF ESPY PAVING & CONSTR. CO.

CUST. ORDER NO. 29

FREIGHT. PREPAID COLLECT PREPAID

AMOUNT $

DIFFUSERS-PURCHASE ORDER NO.29-MT. THIS PKGE

DATE RECD 10-26-40

INSTALLATION TYPE "B" SWING DIFFUSERS

FEEDER MANIFOLD ASSEMBLIES WITH GASKETS AND BOLTS FOR 6 FT. 0 IN. COPING.

SWING JOINT ASSEMBLIES FOR 10 FT.-9 IN.W.D.TANK AND 1 FT.-10½" FREEBOARD

DIFFUSER TUBE HEADER ASSEMBLYS 12'-4" LONG - 14 OPENINGS IN EACH HEADER ASSEMBLY — Note 2

DIFFUSER TUBE HEADER ASSEMBLY 7'-0" LONG 22 OPENINGS IN EACH ASSEMBLY — Note 2

2" I.D. CARBORUNDUM DIFFUSER TUBES & CARTRIDGES. TUBE PERMEABILITY 40.0 AIR RATE 4 TO 8 CFM — Direct

2" I.D. CARBORUNDUM DIFFUSER TUBES ONLY PERMEABILITY 40.0 (SPARE) — Direct

2" COUNTER SUNK BRASS PIPE PLUGS

ANCHOR BARS 3617# 14724 — NOTE-1

MOTOR OPERATED HOIST WITH 30 FT. RUBBER COVERED CABLE 110 VOLT SINGLE PH., 60 CYCLE

EQUIPMENT TO BE FURNISHED IN ACCORDANCE WITH C.P.CO.DWGS. S1.30192-182

BILLED 1917

C.P.CO. IS TO FURNISH A MAN TO SUPERVISE THE INSTALLATION OF THIS EQUIPMENT AND INITIAL OPERATION FOR 30 DAYS

FURNISH TAPERED AERATION LICENSE

CONSTRUCTION PRINTS AT ONCE

SHIP ANCHOR BARS BY NOV. 4. SHIP WITH ANCHOR BOLTS FOR 58173.5 & 7.

RST SAN 11-5-40 BERGEN & PECK

REN LATER RST

COPY

CONTINUED ON SUPPLEMENTARY SHEET ___ OF ___

SEE CREDIT DEP.. WHEN READY

[fol. 23]

ADMISSIONS EXHIBIT 2

(Letterhead of)

CHICAGO PUMP COMPANY

December 16, 1940

R. S. Carter
c/o Desoto Motel,
Savannah, Ga.

Dear Ralph:

I am enclosing a duplicate set of instructions that I mailed you in Gainesville regarding the setting of the air valve housings for the Type B Swing Diffuser.

We shipped to Savannah via express last Saturday 10 steel forms and one gauge bar to be used to hold the valve housing casting in place on the walkway.

The forms are to be used as described in the instructions and extreme care must be used in setting the top face of the valve casting at the proper elevation and also level. Alignment of the point assembly which mounts on the top of this casting will be naturally effected if the top face is not level.

Also enclosed you will find other prints showing how the joint is assembled and the air valve installed. The best procedure for assembly is left up to you but I suggest that the joint knee be taken apart, and attach the top section to the valve housing rather than try to handle the whole joint.

The tube headers are provided with gaskets to permit leveling if the down pipes are out of vertical. We had trouble with some of the pipe threads being off and you may find some of the joints off in this respect.

Keep a close record on time required to install this equipment, and make notes on any suggestions or comments that the contractor might have to improve the form work.

[fol. 24] Be sure the form plates, where they bolt to the casting, are kept clean and free from foreign material that will interfere with clamping these two surfaces together tightly. Dirt will throw off the level of the castings top face with respect to the spirit level check. Also be sure to take care of the gauge bar and keep it from being bent or twisted. The forms are our property and when the contractor is finished crate and ship them back to Chicago.

The contractor .....

(Two paragraphs illegible, omitted)

Keep me posted on where you are.

Yours truly,

Chicago Pump Company
A. C. DURDIN, III

ACD,III:RW

ADMISSIONS EXHIBIT 3

(Letterhead of)

DINKLER HOTELS

Written from The Savannah Hotel
Savannah, Georgia

Jan. 1, 1941

Dear Gus.

Just a few lines as to conditions here. The swing defusers are finished except for the tubes as I felt the tubes might be broken if I installed them.

We have the returned sewage pumps set and are working on the raw.

I expect to have the pumps finished on Thursday and then will go to see our agent.

I am hoping that I can install the tubes before I leave and test them out with water before I leave. As things are

[fol. 25] going I believe I can do all of this with out lossing (sic) too much time.

As Ever Chuck

P.S. I am short one 1" countersunk head Pipe Plug for the headers on the duffusers.

C.L.

ADMISSIONS EXHIBIT 4

(Letterhead of)

DINKLER HOTELS

Written from The Savannah Hotel
Savannah, Georgia

Jan. 4, 1941

Dear Gus.

Received your two letters to-day.

Mr. Peck and I were out to Camp Savannah to-day but have nothing to report, as the plant has not progressed very far.

I am figuring on returning on Monday or Tuesday nite. This depends on the electricans (sic). What I am trying to do is to run the blowers so I can test the tubes. We are installing the tubes to-day. They were hid away in one of the warehouses.

The pumps and all the equiptment (sic) is set and ready to go.

They have not chosen an operators as yet, and I have been hounded to death for the job.

No one here knows much about an Activated plant and I have been answering questions galore.

You say Bill found that the leveling bar was off when he bolted it down. I guess he worked differently than I did as I didn't pull my bar down more than snug and used a carpenters

(rest of letter omitted)

[fol. 26]

ADMISSIONS EXHIBIT 5

640 W. 37 St.
Savannah, Ga.
Jan. 20, 1940

Dear Gus:

Arrived yesterday afternoon and started on the job this morning. The plant is completed sufficiently to operate and at present have everything going. There is still a lot of work to be done, in fact they are still pouring concrete but at the rate they work around here it should all be done by the end of next week.

I do not know how much data I will be able to get as the lab. equipment has just been ordered and it may not be here for some time unless they are able to get much better service than we usually get. There has not been an incubator ordered so I am trying to get one so that we can get some B.O.D.'s.

I have not checked the dimensions of the final tank but it looks enormous and I do not know how it will work. The engineer told me that the length of it was increased over the original design and it is now as long as the aeration tanks.

The velocity to both the primary tank and the aerators is very low also the ports to the primary tank seem to be pretty small but I won't be able to tell how things work out until we run awhile.

The primary sludge draw off hopper has a flat bottom which is very poor.

There is a civilian operator and three soldiers so that the plant will have twenty-four hour operation.

Yours truly,

/s/ Topleshay

[fol. 27]

ADMISSIONS EXHIBIT 6

(See opposite) ☞

CHICAGO PUMP CO.
DIVISION OF SANITARY ENGINEERING
2336 WOLFRAM ST.
CHICAGO, ILL.

SEWAGE TREATMENT WORKS OPERATION REPORT

PLANT SAVANNAH AIRPORT

MONTH OF JAN. 22-31 1941
FEB. 1-22

DATE	WEATHER: RAINFALL	WEATHER: WIND DIRECTION	WEATHER: °F TEMPERATURE	STREAM FLOW	SEWAGE TEMPERATURE °F: RAW	SEWAGE TEMPERATURE °F: FINAL	FLOW M.G.D.: GATE MAX.	FLOW M.G.D.: GATE MIN.	FLOW M.G.D.: TOTAL TO PLANT	DT-PUMPED: RAW	DT-PUMPED: SETTLED	AERATION: D.O. OF LAST AERATOR	AERATORS: SHORT WOOD	AERATORS: METAL FLOORS	SOLIDS: SUSPENDED P.P.M.	SOLIDS: SETTLED % 30 MIN.	SOLIDS: SLUDGE INDEX 17+16=18	RETURN SLUDGE: 1000 GAL.	RETURN SLUDGE: SUSPENDED SOLIDS P.P.M.	RETURN SLUDGE: SETTLED SOLIDS %	SLUDGE AND GAS: WASTE ACTIVATED GALLONS	SLUDGE AND GAS: LBS. DRY SOLIDS ADDED TOTAL	SLUDGE AND GAS: DIGESTED SLUDGE VOLATILE	SLUDGE AND GAS: GALS. PRIM. PUMPED	SLUDGE AND GAS: DIGESTOR SLUDGE TEMP.	SLUDGE AND GAS: DIGESTOR SLUDGE PH	SLUDGE AND GAS: GAS, 1000 CU. FT.	ELECTRIC CURRENT K.W.H.: AERATORS	ELECTRIC CURRENT K.W.H.: SEWAGE PUMPS	ELECTRIC CURRENT K.W.H.: ALL OTHER PURPOSES	ELECTRIC CURRENT K.W.H.: TOTAL	RESIDUAL CHLORINE #/DAY	ANALYSES: B.O.D. P.P.M. 5 DAY RAW	B.O.D. P.P.M. 5 DAY PRIM. EFF	B.O.D. P.P.M. 5 DAY FINAL EFF.	SUSPENDED SOLIDS RAW	SUSPENDED SOLIDS PRIM. EFF.	SUSPENDED SOLIDS FINAL EFF.	SETTLEABLE SOLIDS RAW	SETTLEABLE SOLIDS PRIM. EFF.	SETTLEABLE SOLIDS FINAL EFF.	PH RAW	PH PRIM. EFF.	PH FINAL EFF.	STABILITY FINAL EFFLUENT	DISSOLVED OXYGEN: FINAL EFF.	DISSOLVED OXYGEN: OYGEN ABOVE	DISSOLVED OXYGEN: BELOW
(FEB 1	0						.374	.086	.158	0	0		3.0			5.0		200			0									7												2.0		
2	0						.374	.086	.158	0	0		3.0			5.0		200			0									7												2.1		
3	R						.374	.091	.160	0	0		3.0			3.0		200			0									7												2.0		
4	0						.345	.096	.146	0	0	8.0	3.6			2.5		200			0								8.1	5											1.7		
5	0						.346	.057	.158	0	0	8.2	5.5			3.0		200			0					6.6			0.5	10											2.3		
6	R						.346	.057	.156	0	0	8.5	7.2			10		200			0								0.5	9											-		
7	R						.360	.057	.165	0	0	5.7	6.0			14		180			20								0.5	9											1.4		
8	0						.463	.057	.136	0	0	6.6	6.5			13		180			20			3356					1.0	9											2.3		
9	0						.300	.072	.178	0	0	4.2	7.3			12		186			24			3640					0.2	15											2.9		
10	0						.432	.043	.164	0	0	5.3	5.4			19		180			20			3120					.15	9											1.6		
11	0						.374	.062	.158	0	0.11	7.3	6.0			35		175			25			2440		6.8			0.2	10											0.7		
12	0						-	-	-	0	✓	4.4	6.0			70		200			0			2440					0.1	10											2.1		
13	0						.346	.043	.148	0	14.4	4.3	5.0			100		206			0			3840					0.1	7											6.9		
14	0						.504	.057	.171	0	10.0	6.7	7.2			100		100			106			3520					0.2	8											1.4		
15	0						.345	.057	.131	0	20.0	8.3	6.8			100		-			-			3840					0.2	7											8.6		
16	0						-	-	-	0	✓	-	-			100		-			-			3420		6.2														2.2		
17	0						.346	.057	.188	0	52.0	-	-			-		-			-			3440														2.8		
18	0						.434	.058	.190	0	0	4.6	5.7	194		35		100			6			3440					1.0	10											3.3		
19	0						.389	.058	.176	0	0	5.4	6.5	267		30		100			0			3840					1.0	7											3.6		
20	0						.324	.058	.162	0	6	2.4	2.4	257		30		100			0			3840					0.4	6											1.5		
21																																																
JAN. 22	0						.374	.116	.163	0	0	8.4				1.0		125			0																													
23	0						.374	.086	.171	0	0					2.5		125			0																													
24	0						.396	.115	.191	0	0	5.7	4.2			2.5		125			0								4.5	11											2.2		
25	0						.374	.144	.160	0	0	4.8	5.4			3.0		130			0								1.0	6											2.5		
26	0			ADJUSTING METER						0	0	3.7	4.6			3.0		130			0								4.16	8											2.1		
27	0									0	0					2.5		106			30								1.60	5											3.1		
28	0									0	0	6.0	5.0			2.0		70			60					6.3			0.5	6											2.0		
29	0						.345	.086	.147	0	0	5.2	4.7			2.0		70			60								0.5	7											2.0		
30	0						.389	.086	.161	0	0																			7											2.6		
31	0									0	✓	3.0				4.0														5											2.0		
TOTAL																																									2.8		
AVE.																																															
MAX.																																															
MIN.																																															

% PURIFICATION.

	B.O.D.	SUSP. SOLIDS	SETT. SOLIDS
R — P			
P — F			
R — F			

R = RAW SEWAGE.
P = PRIMARY TANK EFFLUENT.
F = FINAL EFFLUENT.

SLUDGE

DATE	DRAWN TO BED NO.	DEPTH ON BED INCHES	REMOVED FROM BED NO.	CUBIC YARDS REMOVED

REMARKS: (INCLUDE UNUSUAL SEWAGE OR STREAM FLOWS, OPERATING TROUBLES, LOSS TO SEWAGE OR DIGESTOR, CHLORINATION, BOOSTER PUMPS ETC., GIVING DATES. NOTE TIME OF DAY OPERATION OF ALL TREATMENT TANKS)

1/30 Tank #1 AERATOR OUT OF SERVICE.
2/3 Tank #1 " BACK " "
2/7 Took ONE PRIMARY TANK OUT OF SERVICE.

BY _____
NAME AND TITLE

[fol. 29]

ADMISSIONS EXHIBIT 7

(Letterhead)

Schneider, Dressler, Goldsmith & Clement

June 15, 1961

Louis Robertson, Esq.
Jones, Darbo & Robertson
20 North Wacker Drive
Chicago 6, Illinois

Re: FMC v. Walker (Chicago Suit)

Dear Mr. Robertson:

In reply to yours of June 10, we believe that the answers to the interrogatories which were originally furnished you were as specific as possible, and we do not believe that we can be more specific at this time.

Frankly, however, in view of our activities in the Greensboro suit, we have not made any further search for documents. Naturally, we will be agreeable to produce informally any documents to which you are entitled and which we have located to date. If you will let us know when you wish to do this, we will be glad to make arrangement. Perhaps the documents that you will see will answer some of the questions that you may now have.

Yours very truly,

Schneider, Dressler, Goldsmith & Clement
By /s/ Howard Goldsmith

RHG/rhw

IN UNITED STATES DISTRICT COURT

PLAINTIFF'S ANSWERS TO DEFENDANT'S REQUEST FOR ADMISSION—Filed March 19, 1962

Request No. 1

Admissions Exhibits 1 to 6 attached hereto are true copies of papers retained in regular course of business [fol. 30] in Plaintiff's files, Exhibits 2 to 6 having been received or written by Plaintiff within a few days of the dates thereon (except that "Jan. 20, 1940" should be "Jan. 20, 1941") and the shop order Exhibit 1 having been written and issued by Plaintiff about Nov. 5, 1940. (Reference to Plaintiff here and throughout includes Plaintiff's predecessors in business.)

Answer:

Admitted.

Request No. 2

All of said exhibits relate to swing diffuser equipment according to the patent in suit, including piping carrying diffusers at the bottom end, pivoted to an air supply connection at the upper end and having a pivoted knee intermediate the ends.

Answer:

Admitted, except that Plaintiff denies any inference that may be present in said request to the effect that the "swing diffuser equipment" mentioned in said exhibits includes all of the equipment referred to in Claims 1, 3, 4, 5 and 6 of patent in suit.

Request No. 3

The swing diffuser equipment of the patent in suit was installed and operating usefully in an aeration tank for sewage treatment accessible to persons unrestricted as to divulging details thereof, as early as Jan. 22, 1941.

Answer:

Denied.

Request No. 4

The swing diffuser equipment of the patent in suit was sold and delivered and installed in aeration tanks by Jan. 1, 1941.

[fol. 31] Answer:

Denied with respect to Claims 1, 3, 4, 5 and 6 of the patent in suit. Admitted with respect to Claim 2.

Request No. 5

The sale of swing diffuser equipment referred to in Statement 4 was an outright sale at a full commercial price.

Answer:

Admitted.

* * * * * * *

Request No. 8

The papers from which said Exhibits 1 to 6 were copied were in files in the files of Plaintiff's attorney when he prepared "Plaintiff's Answers to Defendant's Interrogatories" sworn to by Milton Spiegel the 1st day of Feb. 1961.

Answer:

Admitted.

* * * * * * *

Request No. 11

Plaintiff did not inform the Patent Office of the sale, installation or use of swing diffuser equipment referred to in Exhibits 1 to 6, and filed the usual

oath denying public use or sale more than a year before the filing of the application.

Answer:

Admitted.

Request No. 12

Plaintiff's counsel, after a request for more specific answers to the Interrogatories replied in a letter of June 15, 1961, of which Exhibit 7 is a true copy, ignoring the crossed out additions.

Answer:

Admitted.

• • • • • • •

[fol. 32]

IN UNITED STATES DISTRICT COURT

PLAINTIFF'S ANSWERS TO DEFENDANT'S INTERROGATORIES 18 TO 21—Filed March 19, 1962

Interrogatories Nos. 18A & B

(A) State any and all facts relied upon as saving the patent in suit from invalidity on account of the sale, installation and use of swing diffuser equipment referred to in Exhibits 1 to 6.

(B) If any ultimate facts or conclusions are given in response to Part "A" hereof, state all primary facts relied upon in support thereof.

Answers:

The "equipment" was not installed as set forth in Claims 1, 3, 4, 5 and 6 of the patent prior to February 2, 1942.

The subject matter as set forth in the claims of the patent was not in operation prior to February 2, 1942.

• • • • • • •

In United States District Court

Plaintiff's Answers to Defendant's Request for Admissions of Fact (14-17)—Filed August 29, 1962

Request No. 14

14. Plaintiff relied solely* (*If "solely" is too strong, admit so much of the statement as is true, preferably with such precision and clarity as to leave no need for clarifying requests.) On the non-delivery of the hoist prior to February 2, 1941 as the justification for the following:

(a) The first paragraph of its answer to Interrogatory 18A and B,

(b) The second paragraph of its answer to Interrogatory 18A and B,

[fol. 33] (Note: It is noted that the dates stated in those answers were 1942. Defendant thinks may have been intended, and suggests that if the answer would be untruthful with the date 1942 as stated, Plaintiff correct it. Plaintiff is also requested to check the accuracy of the second paragraph of the answer to Interrogatory 18A unless by a revise answer claim 2 is excluded from such paragraph.)

(c) Denial portion of Request No. 2,

(d) Denial of Request No. 3,

(e) First sentence of answer to Request No. 4,

Answer:

14(a). In the first paragraph of plaintiff's answer to Interrogatory 18A and B, plaintiff relied on the non-delivery of the hoist and also upon the fact that its swing diffuser equipment included as an integral part thereof operational supervision which was not completed prior to February 2, 1941. (The date of February 2, 1942 in the two paragraphs of the answers to Interrogatory 18A and B was a typographical error and should have been February 2, 1941.)

14(b). In the second paragraph of plaintiff's answer to Interrogatory 18A and B, plaintiff relied upon (a) non-delivery of the hoist, and (b) the fact that its equipment, exclusive of the hoist, was not in satisfactory operation prior to February 2, 1941.

14(c). This request is ambiguous as defendant's Request No. 2 does not refer to delivery or non-delivery; insofar as the answer to the request refers to "swing diffuser equipment", the denial portion of the answer related to the hoist.

[fol. 34] 14(d). In denying Request No. 3, plaintiff relied upon (a) non-delivery of the hoist, and (b) the fact that its equipment, exclusive of the hoist, was not in satisfactory operation prior to February 2, 1941.

14(e). Admitted.

* * * * * * *

Request No. 16

16. There are no facts concerning the swing diffuser equipment (other than the hoist) to which said Exhibits 1 to 6 relate which keep that equipment (other than the hoist) from being part of the "prior art" designated in Sec. 103 of the Patent statutes, (35 USC 103).

Answer:

This request has been objected to.

Request No. 17

17. There are no facts about the piping which was the subject of Interrogatory 4 (the hoist not being included in said interrogatory) which keep it from being part of the "prior art" designated in Sec. 103 of the Patent statutes, (35 USC 103).

Answer:

This request has been objected to.

FMC Corporation
By /s/ Tom H. Forrest

* * * * * * *

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

MOTION FOR SUMMARY JUDGMENT—
Filed September 7, 1962

Defendant hereby moves for a summary judgment that the patent in suit was invalid when issued.

[fol. 35] The evidence on which Defendant relies comprises the accompanying copy of the patent in suit (identified by attached affidavit) and the admissions by Plaintiff on file, including admissions in answers to interrogatories.

Briefly, the admissions show that the Plaintiff by its predecessor had sold and delivered the swing diffusers of this patent more than one year prior to the filing date of the application for this patent.

That which was sold is prior art under Section 102(b) of the Patent Statute. The technicality that the patent claims require not only swing diffusers (defined in detail) but also "means" for raising the swing diffusers, is of no avail to Plaintiff in view of Section 103 of the Patent Statute which requires that differences over the prior art (over that which was sold) be not obvious. The use of some means for accomplishing the described raising (i.e. means such as the mere cable illustrated in the patent in suit, or a lever) would surely have been obvious. In fact, Plaintiff admits having previously sold hoists for an earlier version of swing diffusers.

Louis Robertson, Darbo, Robertson & Vandenburgh,
P.O. Box 67, 15 North State Road, Arlington
Heights, Illinois, Attorney for Defendant.

[fol. 36]

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

AFFIDAVIT OF CHARLES LAWRENZ—Filed October 5, 1962

State of Illinois,
County of Cook, ss.:

Charles Lawrenz, being first duly sworn, deposes and says:

1. I am a Senior Installer employed by Chicago Pump, Hydrodynamics Division of FMC Corp. (formerly known as Food Machinery & Chemical Corp.). I have been em-
[fol. 37] ployed in the sewage treatment field by my present employer and its predecessor, Chicago Pump Company, for 26 years.

2. In 1941 I was employed as a Service Field Engineer with Chicago Pump Company.

3. I am familiar with the installation of the Lannert "swing diffusers" at Hunter Air Force Base, Georgia, as I was one of the people who made that installation. These "swing diffusers" are similar to those of U. S. Letters Patent No. 2,328,655, issued September 7, 1943, on an application filed February 2, 1942, in the name of W. H. Lannert.

4. I have read defendant's motion for summary judgment, the brief of defendant in support of that motion, and I am familiar with the subject matter and most of the alleged facts set forth in said documents.

5. Many of the alleged facts as set forth in the aforementioned documents are incorrect and/or incomplete, and I take issue with them. I do not agree with the conclusions set forth in the defendant's motion for summary judgment and the accompanying documents filed by defendant; for example, I do not agree with the assertions made with respect to the alleged facts set forth therein and relating to:

(a) The alleged "obviousness" of a means for removing the swing diffusers from the sewage treatment tank.

(b) The allegations that the "means" could be a pipe wrench, a lever, a rope, a cable, or any of various other tools.

(c) The assertion that the swing diffuser equipment was working satisfactorily prior to February 2, 1941; to be in satisfactory operation the swing diffusers would have required satisfactory means to remove them from the sewage treatment tank.

[fol. 38] (d) The satisfactory operation of the equipment; the equipment could not be said to be in satisfactory operation until Chicago Pump Company had completed 30-day operational supervision which was an integral part of the contract for installation of the equipment, and which was not completed prior to February 2, 1941.

Charles Lawrenz

Subscribed and sworn to before me this 4th day of October, 1962.

Tracy B. Menke, Notary Public

(Seal)

IN UNITED STATES DISTRICT COURT

PLAINTIFF'S ANSWERS TO DEFENDANT'S REQUEST FOR ADMISSIONS OF FACT (18 and 19)—Filed October 17, 1962

Request No. 18

18. Prior to February 2, 1941, all equipment shown in the drawings of the patent in suit, except cable 68, was installed in aeration tanks of a sewage treatment plant substantially* in accordance with said drawings

* Discrepancies may be described if desired to avoid interpreting the word "substantially."

and was in use for aerating sewage in said tank for the purpose of usefully treating said sewage, and was exposed to view of persons having no obligations of secrecy with respect to it. The equipment had already been sold by Plaintiff's predecessor, delivered, and installed under Plaintiff's predecessor's supervision.

Answer:

[fol. 39] Plaintiff admits request No. 18 except that (presuming that by "the equipment" referred to in the second sentence Defendant means complete installation) Plaintiff expressly denies the second sentence, and Plaintiff also denies that equipment in aeration tanks was in satisfactory use for the purpose of usefully treating sewage prior to February 2, 1941.

Request No. 19

19. Prior to February 2, 1941, there was means at hand at the site of the aeration tanks of the preceding paragraph for pivoting the upper pipes of the swing diffusers of the patent in suit to raise or lower the diffusers, and at least one of said diffusers had been raised or lowered by such pivoting.

Answer:

Denied.

IN UNITED STATES DISTRICT COURT

DEPOSITIONS OF CHARLES E. LAWRENZ AND TOM FORREST TAKEN OCTOBER 18, 1962

Mr. Goldsmith: • • •

• • • I might state for the record, Mr. Robertson, that after some study last night in connection with the suit, and discussing the matter with Mr. Forrest, for the reasons stated in the motion, we have decided to dismiss the suit with prejudice, and I will ask you in view of that whether you believe there is any point in continuing with these depositions.

Mr. Robertson: Yes, I do, because I believe it relates to the question of the recovery of attorneys' fees and may relate also to the possible claim of Walker against F.M.C.

* * * * * * *

[fol. 40] CHARLES E. LAWRENZ, called as a witness herein, having been first duly sworn, was examined and testified as follows:

Direct examination.

By Mr. Robertson:

Q. Mr. Lawrenz, you are the Charles Lawrenz who executed an affidavit in this case, a copy of which I show you, are you not?

A. Yes.

* * * * * * *

Q. In paragraph 3 of your affidavit, you stated that "I was one of the people who made the installation." Who were the others, to the extent that you can tell us offhand, or describe them by class, if they were just workmen?

A. They were workmen.

Q. Working under you?

A. Working for the contractor.

Q. What was your part in the installation?

A. Supervision.

* * * * * * *

Q. Your letter of January 1st indicates that the swing diffusers are finished, except for the tubes, so I judge that certainly by that time the concrete work of the tanks was completed. Is that correct?

A. Well, you leave me kind of vague there. They were complete to the extent that we could install the swings with the tubes, and could put water in the tank.

Q. I show you a copy of the patent in suit, and ask if the tanks comprise two side-by-side aeration tanks, as shown in the patent.

A. They do.

Q. And they had sort of a Y-shaped wall between them, did they?

A. Yes.

[fol. 41] Mr. Goldsmith: You are speaking of the installation at Hunter now?

Mr. Robertson: Hunter Air Force Base.

The Witness: Yes.

* * * * * * *

Q. Can you tell us when you left that Hunter Air Force Base job?

A. The exact date, I couldn't, no.

Q. Was the aeration tank filled and operating when you left?

A. It was filled with water, but the operation, I couldn't say.

Q. I call your attention to your letter, admissions Exhibit 4, to the second paragraph, which reads, in part, "What I am trying to do is to run the blowers so I can test the tubes. We are installing the tubes today."

I call your attention to it to refresh your recollection on it. Before you left you did operate the blowers, did you?

A. Yes.

Q. And the tubes appeared to work properly.

A. As I recall.

* * * * * * *

Q. When you went down to Hunter Air Force Base for this installation work, were you already acquainted with these knee-action swing diffusers of the type B swing diffusers?

A. No.

Q. You had never seen them, even in the shop, before?

A. I can't be sure of that answer. I probably did. I knew what they looked like.

[fol. 42] Q. And in spite of never having seen one of them raised, do I understand correctly that you installed them and left Hunter Air Force Base without ever raising one of them, to make sure that it raised properly?

* * * * * * *

A. I see no reason to be concerned, as I recall it, about their ability to do what they were supposedly to do. I couldn't have raised it, for there was no way of raising it, unless I used some outside means, such as a crane or some power device.

Q. They were doing a lot of work around that plant, weren't they, so there were cranes around there?

A. Yes.

Q. There were cranes around there?

A. Yes.

Q. So if you had wanted to test one out, you could have brought one over and raised it, couldn't you?

A. I suppose I could have, if I needed to.

* * * * * * *

Q. Referring again to the affidavit which you executed in this case, did you study that affidavit to be sure it was truthful before you signed it?

A. I thought so.

Q. In item 5 you state, "Many of the alleged facts set forth in the aforesaid mentioned documents are incorrect and/or incomplete."

When you made this affidavit, did you mean that some of the facts stated were incorrect, and that some were incomplete, or did you mean merely that some of them were either incorrect or incomplete but maybe not both? Or, in other words, what was your meaning in using that phrase incorrect and/or incomplete?

A. The reference was in connection with this method of raising with a rope a lever or a pipe wrench.

[fol. 43] Q. Of course, that is just one. Your wording that I read before says, "many of the alleged facts."

A. Many is more than one. Right.

Q. Quite a few more than one, I would think.

A. Well, there are three here.

Q. Three being—what three are you talking about? A pipe wrench, a lever, a rope?

A. Yes.

Q. Those were the three you thought were incorrect? Is that correct?

A. Yes.

Q. Those were the ones to which you were referring when you said "many of the alleged facts were incorrect"?

A. Yes.

Q. And that is all that you were referring to?

A. Yes.

* * * * * * *

Q. You are supposed to answer the question, whether a cable could be used to raise one of the swing diffusers.

A. No, I am a little vague. Could a cable be used in itself? No. It has to be powered.

By Mr. Robertson:

Q. You would have to have something adequate for pulling the cable, is what you mean.

A. Yes, that is right.

Q. And that would also be true of a rope, would it not?

A. Yes.

Q. A rope would be used with something adequate to pull it.

A. Yes.

Q. Further on in paragraph 5 in your affidavit, you state twice, "I do not agree," the last one being, or more [fol. 44] completely stated, "I do not agree with the assertions made with respect to the alleged facts set forth therein and relating to:"

Now, when you said you do not agree, do you mean that you definitely disagree that the assertions made with respect to the alleged facts set forth therein relating to the following items were definitely untrue or merely that you were not agreeing that they were true?

* * * * * * *

Q. Now, as to the other items, did you also mean to be definitely asserting that they were untrue, or did you merely mean to say you didn't agree with them, you wouldn't commit yourself to being in agreement with them?

A. That is correct. I would not be in agreement with them.

Q. That you would not commit yourself to being in agreement with them.

A. Yes.

• • • • • • •

Q. When would you expect the need for raising the swing diffuser to develop at Hunter Air Force Base? In the matter of a few days, from the beginning of operations, a few months, or what?

• • • • • • •

The Witness: The need could be a variable, depending on many facts.

• • • • • • •

Q. A broken tube could develop at any time, is that what you mean?

A. Possibly.

Q. In which case you might need the swing diffuser fairly soon.

A. Yes.

[fol. 45] Q. If there wasn't a broken tube, or a tube which developed a bad leak, which I suppose would be a form of break, the next time, the next occasion for raising them would be when they became clogged or needed cleaning them, is that correct?

A. Yes, sir.

Q. And you wouldn't expect that to occur in less than a few months, would you?

• • • • • • •

The Witness: I can't—the time element is so uncertain.

• • • • • • •

Q. Do they clog so badly that they might need to be raised even sooner than two months for cleaning?

A. I couldn't answer that.

Q. Have you any that needed to be raised sooner than two months for cleaning?

A. No, I can't recall any case.

• • • • • • •

Q. What basis did you have for the statement in paragraph D that the equipment could not be said to be in satisfactory operation until the end of this supervisory period?

A. On the basis of acceptance by the U. S. Government.

Q. Well, your affidavit doesn't say it hadn't been accepted by the U. S. Government. Your affidavit says it could not be said to be in satisfactory operation.

Mr. Goldsmith: He has just explained it for you now.

By Mr. Robertson:

Q. All you meant was it had not been accepted by the U. S. Government, is that correct?

A. That brings it up to the satisfactory conclusion of the job.

[fol. 46] Q. I don't think you quite answered my question. All you meant in that part of paragraph D was that it had not been accepted yet by the government, is that correct?

A. Yes.

* * * * * * *

Q. Do you remember some inspections, or inspection?

A. To the degree that there was, I assume, an engineer representing the air force base on the job continuously.

* * * * * * *

Q. I judge you mean that there was definitely someone there, and you assume he was an engineer, is that correct?

A. Yes. I didn't see his diploma, or anything like that.

Q. And he was generally inspecting for the army the installation around the whole plant, was he?

A. Yes, sir.

Q. Including the installation in which you were participating.

A. Yes, sir.

Q. As far as you know, he was satisfied with your installation work.

A. As far as I know, yes.

* * * * * * *

TOM H. FORREST, called as a witness herein, having been first duly sworn, was examined and testified as follows:

Direct examination.

By Mr. Robertson:

Q. Mr. Forrest, you are the Tom H. Forrest who swore to various papers in this case, are you not?

A. That is right, yes.

* * * * * * *

[fol. 47] Q. Starting at the end with your answer to requests 18 and 19, at the top of page 2, you have a parenthetical clause reading, "presuming that by the equipment referred to in the second sentence defendant means complete installation."

You were there referring, were you not, to the absence of the hoist?

A. I believe I was referring to that, and I may have also been referring to this operation supervision which was part, presumably part of the order.

* * * * * * *

Q. What was the source of your information for your denial of request 19?

A. The source was what became, or what is indicated as admissions Exhibit Number 1, and—just a second. I believe there was another exhibit in here. (Examining file.)

It was Exhibit Number 1 and Exhibit 5.

Q. Are you again referring to the fact that the hoist had not been delivered?

A. That is correct. In that case also, the fact that in Exhibit Number 5, I believe, it was indicated that the tanks were not completed, or something wasn't completed. Let's see, what is that date again? Yes, it would be those two. For the moment, those two.

Q. I don't understand what the second of those two have to do with request 19. Can you explain?

A. Well, at the time, at least by January 20—now, I have no later information that is before February 2nd, I realize

—but at that time, it was indicated that they were still pouring concrete, and this didn't indicate that the pivoting could be done necessarily. I have no information as to what concrete was being poured. So I would say that this might have had some effect on the pivoting of the unit.

[fol. 48] Q. Since the aeration tanks were in operation, isn't it pretty clear that the concrete must have been in the process of being poured somewhere else?

A. As of this date, which was what? The 20th? There was no indication where this concrete was being poured, nor no indication, as I recollect, as of the 20th, that there was operation.

Q. Doesn't this exhibit 5 say the plant is completed sufficiently to operate, and at present has everything going?

A. That is right, but that doesn't mean that it was in my connotation of operation. Now, we may get into a discussion about what operation is.

Q. To have everything going would indicate it was in some form of operation, wasn't it?

A. That is right. Some form of operation, but not what we would consider operation, necessarily.

Q. But the fact that everything was going, would tend to indicate, would it not, that concrete pouring was an adjunct of the plant rather than operating units of the plant?

A. It could be. It could have been in the aeration tank itself.

Q. How?

A. They could have been pouring copings. All sorts of things. I don't know. That is it. I have no knowledge of this directly.

Q. Are copings outside of the tank?

A. No, they are inside the tank, in part.

Q. If the tank were in operation, it would be rather strange to be pouring copings at that time, wouldn't it?

A. It would be strange, but from what has been indicated in this project, things were moving very rapidly; [fol. 49] that is, from what I have read. I don't know. I wasn't there.

* * * * * * *

Q. However, you knew that the swing diffuser equipment had been installed, did you not?

A. I was aware of the fact from one of the other exhibits.

Q. So the copings on which they rest must have been complete by that time.

A. At least sufficiently to install the valve housing and hang the equipment.

Q. There is nothing you know of that gives any indication that any of this concrete pouring was in connection with the aeration tanks, is there?

A. No, nor the reverse.

Q. But you based your denial on the bare possibility, in part on the bare possibility, that it might have been in connection with the aeration tanks?

A. In part. More on exhibit 1, of course.

Q. But as to the part on which you based it, as we just stated, did you do any checking as to whether the—

A. I had no way to check.

Q. You could have asked Mr. Lawrenz, couldn't you?

A. I suppose I could have. I didn't.

Q. Likewise, did you do any checking as to their being some other means at hand beside the hoist?

A. No, I did not.

Q. Yet you signed the sworn denial on as little information as you have indicated?

A. I believe I said something to the effect somewhere that this was to the best of my knowledge. I am not so sure about that. I don't see it here. But I can recollect signing such papers. Whether it was with this one or not, I don't know.

* * * * * * *

[fol. 50] Q. And you felt that justified you in taking the oath when you knew that your knowledge was very, very slim?

A. That is right. But is based on my best knowledge and belief.

Q. Did Mr. Goldsmith realize that you had virtually no knowledge?

Mr. Goldsmith: I object to the question. I don't think the witness knows what Mr. Goldsmith knew.

Mr. Robertson: Let's ask him. I ask him if he did.

The Witness: I have no knowledge about how much Mr. Goldsmith knows about what I know about this job.

By Mr. Robertson:

Q. Did he inquire about the extent of your knowledge?

A. I don't believe he did.

• • • • • • •

Q. Doesn't admissions exhibit 6 indicate treatment of sewage?

• • • • • • •

A. Admission 6 shows no information regarding the treatment that was taking place, if any. It shows that some metering was being done, that is about all.

Q. The figures in the first three filled-out columns under the heading of "Sewage temperature and flow" indicate flow of sewage to the plant, do they not?

A. Yes. Columns 8, 9 and 10 indicate the sewage flow.

Q. And column 11 indicates none was bypassed doesn't it?

A. Correct.

Q. That means none of the raw sewage was bypassed.

A. Around the primary tank.

Q. Around the primary tank.

A. Right.

[fol. 51] Q. And under aeration, that is the heading that would be pertinent to the tanks where the swing diffusers are located, is it?

A. Which are you talking about? What column numbers? There are numbers on this.

Q. Numbers 13 to 21.

Mr. Goldsmith: What is the question now?

By Mr. Robertson:

Q. Related to the answer where the swing diffusers are located, would it not?

A. Yes, in part it would, yes. Column 19 would not necessarily relate to that.

Q. Doesn't the return of sludge, indicated in column 19, show that sewage was being treated in the aeration tanks?

A. It shows that sludge was being settled in the secondary tank, that is correct.

Q. And returned to the aeration tanks?

A. That is right. We assume that is so.

Q. And that would be sludge from sewage, would it not?

A. Yes, I assume so.

• • • • • • •

Q. In any event, it is clear, is it not, that sewage was in the aeration tanks, or at least one of them, prior to February 2, 1941, and was being aerated for the purpose of treating it?

A. Mr. Robertson, I cannot say that that is so, based on what I see here.

Q. Why not?

A. Because if this—again, I do not know how this plant was built, but if I may believe that that plant was built with a bypass after the primary tank, it is not clear to me from this that sewage was being taken through this [fol. 52] plant, return sludge or not, because there is nothing with reference to the return sludge as to the quality of that return sludge. I don't know.

Q. But that, again, would be the satisfactoriness of the treatment rather than whether it was being treated, would it not?

A. You are asking me questions that I don't know. I cannot answer. I can produce, or I think I could produce, this kind of information treating clear water. Now, I am not saying I can. I am merely saying that I think most of this data could be obtained from clear water. There is only one piece of information that would indicate anything different, and that is column 17.

Q. What does that indicate different, that tends to indicate that sewage was being treated?

A. That indicates that something was settling.

Q. I call your attention to column 22 showing waste-activated sludge on some of the days; for example, Janu-

ary 27th, 28th and 29th. Doesn't that indicate that sewage was being treated?

A. Yes, I suppose that it might.

Q. You really suppose that it does, don't you?

A. I assume that it does, but I can't be sure. I didn't see this plant. I am perfectly willing to talk about things I know for sure, but—

Q. You were willing to swear to this statement, however, apparently, but I notice that again at the end. It includes the words "that the same are true to the best of his knowledge and belief," on page 5.

A. That is correct.

Q. With those words there you feel no responsibility for having any knowledge? Is that correct?

A. I put that in there because I have no real knowledge other than what I have ascertained with reference to this plant within the past two years or so.

[fol. 53] Q. But in some matters you didn't inquire of people who would have known; for example, I think you said you hadn't inquired of Mr. Lawrenz.

A. That is right. I did not. I felt I had sufficient information—perhaps I didn't—but I felt I had sufficient information from the face of the information that was available.

Q. You have no reason to believe there was any inadequacy in the treatment achieved with the quality of the aeration equipment, have you?

A. I don't know. I can't answer that one way or the other. I would believe that the equipment was satisfactory, but that is just what I believe, not what I know.

* * * * * * *

Q. You admitted that the swing diffuser equipment with respect to claim 2 had been sold and delivered and installed by January 1, 1941, is that correct?

A. I believe on the basis of the information that I had available, I believed that to be so.

* * * * * * *

Q. Plaintiff's interrogatory to defendant asked a question about a letter—you can look at my copy if you want

—dated December 18, 1956, in which I write to Mr. Dressler, counsel for plaintiff, and invited them to check into the question of the patent having been, or the subject of the matter of the patent having been in public use more than a year prior to the application filing date.

A. Yes.

Q. Do you have any information as to what investigation was made at the time of my letter?

A. No, I don't. I wasn't even aware of your letter until recently.

[fol. 54] Q. Plaintiff has been enjoying an enviable position in the trade with respect to selling diffusion equipment throughout the life of the patent in suit, has it not, in that there was virtually no competition in the sale of swing diffusers?

A. I believe that is probably correct.

* * * * * * *

Q. And Chicago Pump Company has sometimes bid the swing diffuser equipment together with equipment other than aeration tank equipment, has it not, at one price, one lump sum bid, in other words?

A. I believe it possibly has.

Q. Don't you really know that it has happened sometimes?

A. I can't recall a specific instance, but I believe it has, yes.

Q. And throughout the life of the patent, the Chicago Pump Company has advertised its swing diffuser equipment as patented, has it not?

A. I would assume that they have, yes. I assume so, yes. I can't verify that for sure.

Q. In fact, you would be amazed if they had not, wouldn't you?

A. Well, some of our advertising practices are not that sure. I wouldn't be too amazed. I believe we have, but I wouldn't be too amazed if they forgot it.

* * * * * * *

[fol. 55]

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

MOTION FOR AWARD OF ATTORNEYS FEES—
Filed October 22, 1962

Defendant moves, in the event the Court grants either Plaintiff's motion to Dismiss or Defendant's motion for Summary Judgment, for an award of reasonable attorneys fees ($5,000 unless the Court determines some other figure) to be paid by Plaintiff to Defendant, because of unusual circumstances in this suit as follows:

A. The filing of the patent application included the usual oath denying knowledge or belief that the invention had been in public use or on sale more than a year before the filing date, which allegations must be deemed false in view of Plaintiff's knowledge of its own delivery, installation and initial public use of the alleged invention more than a year before the filing date.

B. The failure of Plaintiff to recognize any duty or take any suitable action with respect to the possible invalidity of its patent when the question of public use more than a year prior to the application filing date was specifically raised in a letter from Defendant's attorney received by Plaintiff's attorney December 19, 1956 (copy in file attached to Plaintiff's Interrogatory served October 17, 1951).

C. The bringing of this suit when the only items Defendant was charged with selling were "air diffusion units" corresponding to the very items Plaintiff had sold, or placed on sale and delivered, more than one year prior to its application filing date, and maintaining this suit for two years after the patent expired, the considerations in Plaintiff's motion to dismiss being as applicable at the beginning of said two years as now.

[fol. 56] D. Plaintiff's unconscionable reluctance to clearly state the true facts relative to its swing diffusers being on sale, delivered, installed, and in initial use more than one year prior to its application filing date throughout Defendant's successive steps of discovery in this litigation as set forth in the following:

Account of Successive Efforts by Defendant to Elicit Facts, and Evasions by Plaintiff

E. Interrogatories 1 to 17 served July 14, 1960. Interrogatory 4A (2) asked the shipping date of piping (defined in Interrogatory 1 but here more easily identified as the patent's swing piping). Plaintiff answered "Between December 6, 1940 and February 19, 1941" although in fact said patent's swing piping was shipped well prior to the critical date of February 2, 1941, and Plaintiff knew so.

F. Asked by letter under date of June 10, 1961 for more specific answers, Plaintiff's counsel replied by letter of June 15, 1961 (Admissions Exhibit 7 attached to Defendant's first Request for Admissions) that "we do not believe we can be more specific at this time." Documents were offered for inspection (though not actually made available until several months later) and Plaintiff's counsel stated "perhaps the documents that you will see will answer some of the questions that you may now have." No explanation has ever been given as to why more exact answers could not be given if they could be found in the documents.

G. After inspecting Plaintiff's documents, Defendant served on January 26, 1962, Interrogatories and Requests for Admissions. In answer to Interrogatories 18A and B, Plaintiff stated that the equipment was not installed as set forth in certain claims of the [fol. 57] patent prior to February 2, 1942. The question had not been in terms of claims of the patent prior to February 2, 1942. The question had not been in

terms of claims of the patent, Plaintiff apparently choosing reference to them so as not to make clear that the entire swing diffusers had been delivered and installed, and only delivery of the hoist was delayed. Plaintiff's next sentence stated that the subject matter of the claims "was not in operation prior to February 2, 1942," while in fact it was operating to aerate sewage well prior to February 2, 1941. The use of the year 1942, although an error under oath, was presumably entirely inadvertent, and need not be considered as reason for award of attorney's fees, except as one more evidence of general carelessness of Plaintiff's answers. Subsequent attempts by Mr. Forrest to justify this denial of operation, aside from the date error, relied on the assertions that the operation was not satisfactory (though admitting that the swing diffusers were performing their job of aeration properly) and that in his terminology he does not consider a job in operation until the contracted supervision by his company is over.

H. In answer to Request No. 2, Plaintiff (by Mr. Forrest) denied any inference that the swing diffuser equipment mentioned in Admissions Exhibit 1 to 6 includes all the equipment referred to in certain claims of the patent in suit. This has since been admitted to be an error under oath.

I. On August 3, 1962, Defendant served Further Requests for Admissions. In answer to these, Plaintiff finally admitted that his prior (evasive) answers regarding swing diffuser equipment had relied on non-delivery of the hoist and that in denying operation he had relied on lack of satisfactory operation. Plain-[fol. 58] tiff at this time also introduced the further concept that he relied in part on the fact that the period of operation of supervision was not completed prior to the critical date. Plaintiff's employees as witnesses have subsequently admitted that there was nothing unsatisfactory about the aeration operation of the diffusers.

J. Although Request No. 6 had been answered with a simple "Denied" the subsequent answer to Interrogatory No. 24 stated "Request No. 6 is true insofar as it relates to the equipment listed in said request." The answer to Interrogatory 24 proceeded to explain the denial on the ground that the claims of the patent in suit includes certain elements in addition to the equipment listed in Shop Order No. 58,055, but this is not because any real explanation of the denial because the Request No. 6 referred to the equipment of said Shop Order, not to equipment of the patent in suit. Furthermore, the only "elements in addition" which Mr. Forrest could later mention were the aeration tanks themselves.

K. The last set of answers continued the pattern. Request No. 19 was simply "Denied," but on subsequent deposition, Mr. Lawrenz who supervised installation of the swing diffusers in question admitted that (contrary to said denial) cranes were at hand at this first treatment plant which could have raised the swing diffusers. Mr. Forrest, who swore to the denial of Request No. 19, had no personal knowledge of what had been available and admitted that he did not ask his fellow employee, Mr. Lawrenz, and that he did not have any other real basis for the denial (except that the hoist had not been delivered). He excused his oath by referring to the words in the oath he signed "to the best of his knowledge and belief," and [fol. 59] made clear he did not feel any duty with those words to have or seek knowledge or to have any particular basis for relief. He stated that Mr. Goldsmith did not inquire as to the extent of his knowledge. When asked further if anyone associated with Mr. Goldsmith so inquired Mr. Goldsmith instructed him not to answer and he refused to answer.

Louis Robertson, Darso, Robertson & Vandenburgh, 15 North State Road, Arlington Heights, Illinois, Attorneys for Defendant.

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

MOTION TO DISMISS—Filed October 22, 1962

Motion

Plaintiff moves this Honorable Court to dismiss this suit with prejudice.

The reasons for the motion are the following:

1. Plaintiff's Patent No. 2,328,655 here in suit has now expired.

2. Plaintiff has learned of no infringements of its patent by defendant prior to the expiration of its patent other than a sale by defendant to the City of Houston, Texas.

3. Plaintiff has no desire to put defendant to the trouble and expense of defending this suit wherein, after careful consideration, plaintiff has concluded that any damages that may be recovered by it by virtue of defendant's in-
[fol. 60] fringement at Houston, Texas would probably not be greater than the expenses of plaintiff in prosecuting this suit against defendant.

4. Plaintiff is aware of the crowded calendar of this Court and believes, for the reasons above given, that it is appropriate to have this suit dismissed.

Very respectfully,

Schneider, Dressler, Goldsmith & Clement, Attorneys for Plaintiff.

Dated: October 19, 1962.

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

MOTION TO AWARD DAMAGES AND ALTERNATIVE MOTION TO AMEND COUNTERCLAIM—Filed November 2, 1962

1. To permit prompt disposition of the entire case, Defendant moves for judgment awarding damages to the Defendant, with provisions for subsequent determination of the amount of the damages, either by subsequent submission to this Court of facts bearing on exemplary damages, or by accounting for actual damages (to be trebled), or both.

2. In the event motion 1 is not granted at this time, Defendant moves that the counterclaim in the answer of the above cause be amended by accepting the accompanying proposed "Amended Counterclaim" in lieu of the original Counterclaim, and that the date of granting this motion can be the date from which the ten days for response by [fol. 61] Plaintiff runs under Rule 15 (a) FRCP.

Defendant believes that the procedure as to briefs set forth in local rule 13 is appropriate for these motions. The accompanying brief includes argument as to these motions. Defendant assumes that unless Plaintiff takes steps to the contrary, or the Court designates differently after the remaining briefs are filed, the above motions will be heard with other motions December 13, 1962.

Louis Robertson, Darbo, Robertson & Vandenburgh, P.O. Box #67, 15 North State Road, Arlington, Heights, Illinois, Attorneys for Defendant.

Certificate of Service

This is to certify that two copies of each of this "Motion to Award Damages and Alternative Motion to Amend Counterclaim" and the accompanying "Amended Counterclaim" were mailed by first-class mail, postage prepaid, to R. Howard Goldsmith, Attorney for Plaintiff, at Schneider, Dressler, Goldsmith & Clements, 1825 Prudential Plaza, Chicago 1, Illinois, this ..... day of November, 1962.

Louis Robertson.

IN THE UNITED STATES DISTRICT COURT

Civil Action—No. 60 C 1007

MEMORANDUM AND ORDER ON DEFENDANT'S MOTION FOR AWARD OF ATTORNEY'S FEES—February 20, 1963

Plaintiff moved for dismissal of this suit, and immediately thereafter defendant moved for the award of attor- [fol. 62] neys' fees. Subsequent to filing the latter motion, defendant filed other motions.

The authority under which defendant seeks attorneys' fees is 35 U. S. C. §285, which provides:

> "The court in exceptional cases may award reasonable attorney fees to the prevailing party."

The alleged facts upon which defendant deems itself entitled to attorneys' fees are set out in several categories lettered from "a" to "k", the substance may be stated as follows:

> 1. "The filing of the patent application included the usual oath denying knowledge or belief that the invention had been in public use or on sale more than a year before the filing date, which allegations must be deemed false in view of Plaintiff's knowledge of its own delivery, installation and initial public use of the alleged invention more than a year before the filing date."
>
> 2. "The maintenance of this suit for two years after the patent expired, the considerations in Plaintiff's motion to dismiss being as applicable at the beginning of said two years as now."
>
> 3. "Plaintiff's unconscionable reluctance to clearly state the true facts relative to its swing diffusers being on sale, delivered, installed, and in initial use more than one year prior to its application filing date throughout Defendant's successive steps of discovery in this litigation. . . ."

Although the Court's power to grant attorneys' fees is discretionary under the statute, the teachings of the

decisions in this Circuit (as well as other Circuits) require an extremely clear showing that the case is exceptional. In Armour & Co. v. Wilson & Co., Inc., 274 F. 2d 143 (7th Cir., 1960) a suit where the defendant sought attorneys' fees, charging that a fraud had been perpetrated [fol. 63] on the Patent Office in the solicitation of the patent, the Court said thus (at p. 148):

> "In a patent case it was held that clear and definite proof is required to establish fraud on the part of a patentee in soliciting his patent. . . .
>
> "We have reached the same conclusion as to the other charges of fraud. We conclude there is no merit in them because they have not been established by the requisite degree of proof. The Findings and Conclusions of fraud by the District Court are not warranted on this record. They are clearly erroneous and must be and are disapproved.
>
> "The decree of the District Court awarded to the defendant its actual and reasonable attorney fees incurred in the litigation. The basis of this award is not clearly stated. We assume that it was due to the finding of fraud, a charge which we have decided cannot be sustained on this record. Whether or not our assumption is correct, we hold there is no proper basis for an award of attorney fees in this case. Continental Art Co. v. Bertolozzi, 7th Cir., 194 F. 2d 399, 403-404; Laufenberg, Inc. v. Goldblatt Bros., 7th Cir., 187 F. 2d 823, 825."

The Court has reviewed the charges which the defendant believes justify allowance of attorneys' fees and concludes they do not constitute the "exceptional" case contemplated by the statute, 35 U. S. C. §285.

The motion for the allowance of attorneys' fees is therefore hereby

Denied.

Edwin A. Robson, Judge.

Dated: February 20, 1963.

[fol. 64]

IN THE UNITED STATES DISTRICT COURT

[Title omitted]

ORDER—February 20, 1963

Pretrial Conf. (on pdg. motions)
Memo & order combined
Names and Addresses of other counsel entitled to notice and names of parties they represent:

Pursuant to Memorandum filed herewith order defts' motion for allowance of attorneys' fees denied.

Draft

Pretrial conf. held. Order leave to pltff. to dismiss complaint with prejudice and without costs. Order motion for Summary Judgment denied as being moot. Order leave to counterclaim to amend its counterclaim instr. with pltff. to reply or otherwise plead thereto by March 20, and cs. set for rept. on status on April 17, 1963.

Robson, J.

* * * * * * *

IN THE UNITED STATES DISTRICT COURT

[Title omitted]

[fol. 65]

ORDER—February 28, 1963

Enter order amending order of Feb. 20, 1963 by including ruling by Court, on said date denying defendant's motion for award of damages, and said motion hereby denied nunc pro tunc as of said date. Order defendant's motion for further consideration of rulings on Feb. 20, 1963 entered and denied.

* * * * * * *

IN THE UNITED STATES DISTRICT COURT

[Title omitted]

ORDER—May 17, 1963

Ruling on pltffs' motion to dismiss Amended Counterclaim.

Names and Addresses of other counsel entitled to notice and names of parties they represent:

Order pltffs' motion to strike defts counterclaim as amended allowed with deft to file second Amended counterclaim within 20 days and cause contd to June 28, 1963 for rept on status.

Robson, J.

[fol. 66]

IN THE UNITED STATES DISTRICT COURT

Civil Action—No. 60 C 1007

SECOND AMENDED COUNTERCLAIM—Filed June 5, 1963

For its second amended counterclaim in the foregoing Civil Action, Defendant alleges as follows:

13. Plaintiff has submitted itself to the venue of this Court and has a place of business in this district.

14. Plaintiff has voluntarily accepted a dismissal of its Complaint herein with prejudice.

15. Plaintiff (including its predecessor) illegally monopolized interstate and foreign commerce by fraudulently and in bad faith obtaining and maintaining against the public and this defendant its patent in suit No. 2,328,655, well knowing that it had no basis for and had forfeited any rights it might have had to a patent, the elements of fraud and lack of good faith being set forth below.

16. More than one year prior to February 2, 1942, the filing date of the patent in suit:

A. With Plaintiff's participation, there had been installed in the United States, in tanks as set forth in

claim 2 of the patent in suit, all of the equipment defined by claim 2, and all of the equipment defined by the other claims of the patent excepting only a portable hoist for servicing not yet delivered or needed; and said tanks and equipment were in use for the purpose of aerating sewage and were exposed to persons having no obligation of secrecy with respect thereto;

B. The entire of said equipment sold and in use more than one year before the filing date of the application for patent, as set forth in paragraph A, had been sold by Plaintiff and had been installed, under Plaintiff's [fol. 67] supervision, in said tanks, and the assembly was as contemplated and as set forth in all of the patent claims with the sole exception that as to claims 1 and 3 to 6, the hoist (to be used for servicing when needed and constituting the final "means" of each of said claims) had not yet been furnished by Plaintiff, though contracted for;

C. On the site of the sewage treatment plant of which said tanks were a part, cranes were present more than a year prior to the filing date of the patent in suit which cranes did constituute said final "means" (being available if needed for servicing said equipment).

17. In filing the application for the patent in suit, Plaintiff submitted to the Patent Office the usual oath stating with reference to the improvements described and claimed that the applicant "does not know and does not believe that the same was . . . in public use or on sale in the United States for more than one year prior to this application." Patent claim 2 was one of the original application claims. Additional original claims also did not require the hoist. Plaintiff did not inform the Patent Office of the foregoing facts set forth in paragraph 16, although it had full and complete knowledge of said facts when filing said application or had conscious knowledge of some portions thereof and failed to discharge its duty to determine the remainder.

18. By letter of December 18, 1956 (of which a copy is attached to Defendant's Interrogatories 18 to 21), De-

fendant called Plaintiff's attention to the question of public use more than a year prior to the application filing date leading to the patent in suit. In reply, Plaintiff denied any duty to look into the question, and did not divulge to Defendant any of the facts set forth in paragraph 16 and did not take any action toward removing or reducing the monopoly effect of the patent in suit.

[fol. 68] 19. Subsequent to all of the foregoing, Plaintiff filed this suit against Defendant and asserted that the patent in suit was "duly issued," well-knowing that such allegation was without basis. In its initial answer to interrogatories in this suit, Plaintiff failed to admit any of the facts set forth in Paragraph 16, although all of said facts (except the presence of cranes) were shown by papers at Plaintiff's hand in preparation of said answers.

20. Plaintiff has used its patent to restrict and impede competition, in interstate and foreign commerce, in the sale of equipment not covered by the patent in suit (thereby monopolizing trade in said commerce).

21. The acts of Plaintiff complained of deprived Defendant of profitable business Defendant would otherwise have had throughout the period running from shortly after the Defendant was organized in 1946 until the expiration of said patent; the effects continuing even thereafter by virtue of having deprived Defendant of experience it would have had but for Plaintiff's unlawful monopoly and threats of suit, which experience purchasers often require, and having unreasonably and maliciously subjected Defendant to the cost of defending against the Complaint herein.

22. Instances where Defendant had received orders or was low bidder for aerator equipment but lost them because of the patent include:

A. At Tomah, Wisconsin, profit lost, $1,500.

B. At Bergen County, New Jersey, profit lost, $10,600.

C. At Asbridges Bay, Canada, profit lost, $37,000.

D. At Phoenix, Arizona.

E. At Roanoke, Virginia, profit lost, $25,000.

[fol. 69] 23. Plaintiff was unjustly enriched by its operations under said patent at Defendant's expense and to Defendant's damage by reason of the foregoing acts.

Prayers for Relief

Wherefore, Defendant, Walker Process Equipment, Inc., prays:

For adjudication that the patent was sought and maintained, and was here asserted by Plaintiff, with knowledge (denied under oath at the filing of the application) of facts not disclosed to the Patent Office as to Plaintiff's own sales of diffusers, delivery, installation according to the patent and public use thereof, more than a year before the filing date, and that this constitutes a fraud on the Patent Office and on this Court, a violation of antitrust laws, and unjust enrichment of Plaintiff.

For adjudication that Plaintiff's use of the patent to monopolize sale of equipment not the subject of the patent constituted a violation of antitrust laws.

For an award of treble damages and an award of general punitive damages.

For an award of costs, attorney's fees and expenses of this litigation.

Louis Robertson, Darbo, Robertson & Vandenburgh, P.O. Box #67, 15 North State Road, Arlington Heights, Illinois, Attorneys for Defendant.

[fol. 70]

In the United States District Court

Civil Action No. 60 C 1007

Plaintiff's Motion to Dismiss Second Amended Counterclaim—Filed June 19, 1963

Plaintiff, by its attorneys, moves the court pursuant to Rule 12(d)(6), Rules of Civil Procedure, to dismiss defendant's Second Amended Counterclaim because it fails to state a claim against plaintiff upon which relief can be granted under the federal antitrust laws or under any other law or laws.

Max Dressler, R. Howard Goldsmith, Sheldon O. Collen, Attorneys for Plaintiff.

Schneider, Dressler, Goldsmith & Clement, Prudential Plaza, Chicago 1, Illinois, WHitehall 4-4025, Of Counsel.

Friedman, Koven, Salzman, Koenigsberg, Specks & Homer, 1 North LaSalle Street, Chicago 2, Illinois, CEntral 6-8494, Of Counsel.

[fol. 71]

IN THE UNITED STATES DISTRICT COURT

No. 60 C 1007

Transcript of Proceedings—October 2, 1963

had in the above-entitled cause before the Honorable Edwin A. Robson, one of the Judges of said Court, in his courtroom in the United States Courthouse, Chicago, Illinois, on Wednesday, October 2, 1963, at 10:00 o'clock a.m.

Present:

* * * * * * *

OPINION

* * * The Court: On June 19, 1963, plaintiff moved pursuant to Rule 12(b) (6) to dismiss defendant's second amended counterclaim because it "fails to state a claim . . . upon which relief can be granted under the Federal antitrust laws or under any other law or laws."

The complaint had been dismissed with prejudice on plaintiff's motion on 2/20/63.

Heretofore, on May 17, 1963, this Court granted plaintiff's motion to strike defendant's counterclaim as amended, for prolixity.

An examination of the second amended counterclaim reveals that while prolixity has been diminished clarity of statement of the cause of action has not been improved.

Without specifically designating any statutory basis for this Court's jurisdiction, the gist of the second amended counterclaim would seem to be as follows:

Plaintiff has illegally monopolized interstate and foreign commerce through fraudulent procurement of Patent No.

2,328,655. The Patent Office fraud is stated to have been [fol. 72] prior public use more than one year prior to February 2, 1942, the filing date of the patent.

Further, defendant asserts that "Plaintiff has used its patent to restrict and impede competition" in such commerce "in the sale of equipment not covered by the patent in suit, (thereby monopolizing trade in said commerce)."

Defendant alleges that since it was organized in 1946 and until the expiration of the patent and after, plaintiff's acts deprived defendant of business it otherwise would have had, and by "having unreasonably and maliciously subjected the defendant to the cost of defending against the complaint herein."

Defendant cites five instances with asserted profit lost of $74,100, instances "where defendant had received orders or was low bidder for aerator equipment but lost them because of the patent"; and plaintiff was unjustly enriched by its operations under said patent at defendant's expense.

Defendant seeks an adjudication that the patentee had knowledge undisclosed to the Patent Office, constituting fraud, of the prior public use, and for an adjudication that plaintiff's use of the patent to monopolize sale of equipment, not the subject of the patent, constituted a violation of the antitrust laws. It seeks treble damages and an award of general punitive damages, costs, and attorney's fees.

The Court has carefully studied the allegations of the seconded amended counterclaim and concludes that it fails to state a cause of action. Irrespective of a failure to allege diversity, jurisdictional amount, or the precise statutory basis for the second amended counterclaim, the Court is of the opinion that there has been no statement even of an antitrust action.

As hereinbefore noted the defense of fraud in procuring a patent can be the basis for a suit by the United [fol. 73] States, and only the United States, for cancellation or annulment of the patent theretofore issued. It is not usable as a defense in a suit for infringement, although

it has been said that the same facts which constitute the fraud might constitute a defense.

In this case we do not have admitted or adjudicated fraud vitiating the validity of the patent. We have an assertion that there was a prior public use, although one element of the claims in some instance was not present, but that an equivalent means was at hand. Nor is the issue of fraud being raised in defense; the suit in chief has been dismissed.

The issue of fraud is here being used to do indirectly what defendant cannot do directly, namely, procure a cancellation of the patent for fraud. Defendant argues it has been damaged in two respects by an illegal monopoly, a patent invalid because it was fraudulently procured, and a patent invalidly used. This Court does not determine the invalidity of a patent for fraud at the instance of a private litigant.

Defendant's allegation that plaintiff has used its patent in sale of equipment not covered by the patent is defective in that it does not specifically allege that such illegal action caused damage to it, which is essential to a private litigant's cause.

The vagueness of the allegation and its dragnet scope make it meritless as a pleading.

There can be no question that the defense of fraud in the procurement of a patent may not be raised as a defense in a suit for infringement. Thus this Circuit's Court of Appeals stated in Hazeltine Research, Inc. v. Avco Manufacturing Corporation, et al., 227 F. 2d 137, at page 146:

> "... it has been held that a person sued for in-
> [fol. 74] fense that the patent was fraudulently obtained, no fraud appearing on its face ...", citing cases in support thereof.

There are further cases that make the same statement in connection therewith.

There can be no question that there can be a proper allegation in a counterclaim of misuse of a patent in vio-

lation of the antitrust acts as demonstrated by the pleading quoted and found adequate in Dairy Foods Incorporated v. Dairy Maid Products Cooperative, 297 F. 2d 805.

In that case there was involved a conspiracy in violation of Sections 1 and 2 of the Sherman Act through pooling of patents and using the patents in the pool in a manner and with objectives which violated the Sherman Act.

The specific alternatives with which that plaintiff confronted defendant, any of which led to defendant's injury and damages, were held a sufficient allegation to sustain the counterclaim.

In Morton Salt Company v. G. S. Suppiger Company, 314 U.S. 488, the Supreme Court held there was an improper use of the patent monopoly on a machine where the patent monopoly was used to restrain competition in the marketing of the unpatented tablets for use with the patented machines, and to aid in the creation of a limited monopoly in the tablets not within that granted by the patent.

There are three Supreme Court decisions in this area: Mercoid Corporation v. Minneapolis-Honeywell Regulator Company, 320 U.S. 680; Hazel-Atlas Glass Company v. Hartford-Empire Company, 322 U.S. 288, and Precision Instrument Manufacturing Company, et al. v. Automotive Maintenance Machinery Company, 324 U.S. 806.

In the Hazel-Atlas Company decision it was stated at page 251:

> [fol. 75] "To grant full protection to the public against a patent obtained by fraud, that patent must be vacated. It has previously been decided that such a remedy is not available in infringement proceedings, but can only be accomplished in a direct proceeding brought by the Government."

In E. W. Bliss Company v. Cold Metal Process Company, 102 F. 2d 105, it was said at page 110:

> ". . . The rule is well settled that a private litigant cannot by bill in equity have a patent declared void

on the ground that it has been fraudulently obtained. . . ."

The principle is well-established that only the United States can sue to cancel an issued patent for fraud in its procurement. See the discussion of Walker in his Treatise on Patents at Section 233, Volume II, page 1185.

In Mercoid Corporation v. Minneapolis-Honeywell Regulator Company, 320 U.S. 680, the Supreme Court held that an owner of a combination patent may not so use it as to control competition in the sale of an unpatented device, even though the unpatented device may be the distinguishing part of the invention.

In Precision Instrument Manufacturing Company, et al. v. Automotive Maintenance Machinery Company, 324 U.S. 806, the Supreme Court held in a suit for infringement of patents and breach of contracts related thereto that the District Court's findings sustained the judgment of dismissal on the ground of the complainant's unclean hands.

In Electro-Bleaching Gas Company, et al. v. Paradon Engineering Company, 8 F. 2d 890, it was held that a defendant in an infringement suit may not properly raise the issue that the patent was obtained by fraud and deceit. [fol. 76] Inasmuch as the defendant's second amended counterclaim seems to be predicated upon defendant's alleged fraud before the Patent Office, a matter which is beyond the purview of this Court's jurisdiction, the motion of the plaintiff to dismiss is therefore granted.

Plaintiff will prepare an order in accordance therewith. Thank you, gentlemen.

* * * * * * *

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

ORDER DISMISSING DEFENDANT'S SECOND AMENDED COUNTERCLAIM—October 3, 1963

This cause having come on for hearing on October 2, 1963 on plaintiff's motion to dismiss defendant's second amended counterclaim because such second amended counterclaim fails to state a claim against plaintiff upon which relief can be granted under the antitrust laws of the United States, or under any other law or laws, and the court having received the briefs of the parties under Rule 13 of the rules of this court, and having read and reviewed the briefs of counsel, and the court having been fully advised in the premises and having rendered its opinion in open court, it is

Ordered that plaintiff's action to dismiss defendant's second amended counterclaim for failure to state a claim against plaintiff upon which relief can be granted is allowed, and defendant's second amended counterclaim be and it is hereby dismissed without leave to amend, and with prejudice.

[fol. 77] Dated: Oct. 3, 1963.

Enter:

Robson, United States District Judge.

IN THE UNITED STATES DISTRICT COURT

Civil Action No. 60 C 1007

NOTICE OF APPEAL—Filed October 31, 1963

Notice is hereby given that Walker Process Equipment, Inc., defendant and counterclaimant, in the above captioned action, hereby appeals to the United States Court of Appeals for the Seventh Circuit from:

(a) The order of October 3, 1963 dismissing defendant and counterclaimant's second Amended Counterclaim without leave to amend and with prejudice, and

(b) The order entered February 20, 1963 (as amended February 28, 1963) granting leave to plaintiff to dismiss the Complaint without cost, denying defendant's motion for Summary Judgment, denying defendant's motion for attorneys' fees, denying that defendant's assertions amounted to "unusual circumstances" permitting an award of attorneys' fees and denying defendant's motion for an award of damages.

[fol. 78] The names and addresses of attorneys for plaintiff, counter-defendant are:

Schneider, Dressler, Goldsmith & Clement, Suite 1825, Prudential Plaza, Chicago 1, Illinois,

Friedman, Koven, Salzman, Koenigsberg, Specks & Homer, Suite 1130, 208 South LaSalle Street, Chicago, Illinois.

Louis Robertson, Darbo, Robertson & Vandenburgh, P. O. Box 67, 15 North State Road, Arlington Heights, Illinois,

John W. Hofeldt, Haight, Simmons & Hofeldt, 141 West Jackson Boulevard, Chicago 4, Illinois.

October 31, 1963

[fol. 79] Clerk's Certificate to foregoing transcript (omitted in printing).

[fol. 80] [File endorsement omitted]

[fol. 81]

Appendix to Appellee's Brief—Filed May 11, 1964

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF ILLINOIS

EASTERN DIVISION

Civil Action No. 60 C 1007

FOOD MACHINERY AND CHEMICAL CORPORATION, Plaintiff,

v.

WALKER PROCESS EQUIPMENT, INC., Defendant.

AMENDED COUNTERCLAIM—Filed February 20, 1963

For its amended counterclaim in the foregoing Civil Action, Defendant alleges as follows, the first two paragraphs being the paragraphs of the original counterclaim and retaining the numbering thereof:

13. Plaintiff has submitted itself to the venue of this Court and established a controversy under the patent laws by filing this complaint.

14. Paragraphs 8 to 12 of the original Answer are adopted herein by reference as part of the amended counterclaim.

Invalidity Because of Plaintiff's Early Sales

15. The patent in suit is invalid because of statutory bars arising from Plaintiff's contracting to sell, delivering, installing and supervising public use of the swing diffuser assemblies of the patent in suit, more than one year before the application filing date thereof, and contracting to sell a hoist, all as more fully set forth in connection with the Motion for Summary Judgment heretofore filed, and with the further allegations that the form of the hoist was [fol. 82] determined more than one year prior to said filing

date and that means were at hand at the sewage treatment plant where said diffuser assemblies were installed to raise them if need arose.

Unfair Competition and Violation of Antitrust Laws

In particularizing the allegations of paragraph 11 of the original Answer, Defendant alleges:

16. Plaintiff obtained and maintained its patent by virtue of at least technical fraud on the Patent Office, the circumstances indicating, subject to disproof by Plaintiff, that the fraud was willful. There was at least technical fraud in filing the patent application with the usual oath which was inconsistent with facts known to Plaintiff, *i.e.*, facts concerning Plaintiff's own activities in connection with the sale of diffuser units according to the patent in suit, and their installation in sewage treatment aeration tanks more than a year before the application filing date. In the event that Plaintiff would excuse the false filing on the ground that at the time thereof Plaintiff relied on trivial facts such as the nondelivery of the hoist, Plaintiff fraudulently failed to inform the Patent Office that there were major exceptions to the natural meaning of the oath Plaintiff filed. The excuse that the hoist had not been furnished would not be pertinent to claim 2 of the patent, original claim 12, which does not require any means for raising.

16A. Plaintiff failed to act suitably in 1956 when the question of there having been public use by Plaintiff more than a year prior to the application filing date was specifically called to Plaintiff's attention, on behalf of Defendant, per letter attached to Plaintiff's interrogatory to Defendant in this case. Plaintiff replied to said letter but gave no indication of willingness to investigate unless [fol. 83] Defendant disclosed the information it had. Defendant's information or misinformation did not concern the location (Hunter Air Force Base) of the early sale now discovered. This too early sale either was recognized by Plaintiff, or would readily have been detected had Plain-

tiff investigated at that time. As stated in this paragraph and the preceding paragraph, Plaintiff monopolized interstate and foreign commerce.

17. Plaintiff has used its patent to restrict and impede competition, in interstate and foreign commerce, in the sale of equipment not covered by the patent in suit (thereby monopolizing a part of trade in said commerce) as follows:

A. Plaintiff's patent claims in the patent in suit are all combination claims including a sewage treatment tank. Plaintiff has been engaged in the practice of selling unpatented parts for said combination. If its practice can be justified on the ground that some of the equipment it sells is especially adapted for the combination, this special adaptation does not extend to adjuncts such as the air liberating headers mounted on the swing units or compressors, yet Plaintiff's practice has been to tie swing units and such adjuncts together in its bids (including both in a single offer), so that there was no open competition with respect to the adjuncts. Said adjuncts had no special suitability for the combination of the patent as distinguished from prior swing units or fixed aeration units.

B. Plaintiff has also tied its offer of swing assemblies under the patent with equipment not directly related to it, sometimes by a single offer, and sometimes by offering a reduced lump sum price for a group of items including the swing units of the patent.

[fol. 84] Facts About Defendant's Activity and Damage

18. Defendant was organized in 1946 by a group of sanitary engineers who are still its officers. The purpose was to engage in the manufacture and sale of equipment in the field of sewage and water treatment, in as wide a range as practicable. Among the first of the products

sold were mechanical aerators and diffuser tubes for diffusing air in the aeration treatment of sewage. By now Defendant has sold for the aeration of sewage the following products, the sales or offering to sell in each instance beginning at least as early as the year shown for it:

1946 Diffuser Tubes

1946 Impingement Aeration Systems, generally according to Pat. Nos. 2,616,676 and 2,717,774

1946 Rotary Distributors for Trickling Filter Type of Aeration

1946 Mechanical Aerators

1946 Blowers

1946 Headers (mounting and supply pipes) for Diffusers

1946 Risers (supply pipes for supplying the Headers, of fixed nature)

1954 Spargers, usually on Headers and often with Risers (Patent claims now allowed)

1957 Single Pivot Swing Risers

1957 Hoists for Swing Risers

19. In addition, Defendant has sold various types of equipment for use in other treatment phases, in sewage treatment plants using aeration in one phase.

20. Knee-action type swing diffusers would unquestionably have been sold or offered by Defendant soon after organization of the company in 1946 if there had been [fol. 85] no such patent as the patent in suit, 2,328,655. The "ten state standards," adopted in 1949 and widely followed throughout the country, recommended that diffusion equipment be removable for servicing and indicated that this should be mandatory under some conditions. The great majority of diffuser bidding specifications from 1946 to date have required knee-action risers. Defendant tried to get single-pivot swing diffusers accepted as an alternate, but without success except in a few isolated

instances. Defendant's spargers have been actively promoted by Defendant from 1954 to date. They needed much less servicing than diffuser tubes and enabled Defendant to sell some diffuser systems with fixed headers, but even Defendant's sale of spargers was greatly handicapped by its being restrained by said patent, from selling knee-action swing risers. Among other difficulties in the sale of spargers was the fact that even when by great promotional expense Defendant persuaded engineers to specify them, they were often specified with knee-action swing risers. Often the bidding specifications permitted diffuser tubes as an alternate, and Plaintiff would bid the tubes with the risers in such a manner that Defendant was given no chance to supply spargers for use on knee-action swing risers (and headers) furnished by Plaintiff. In more recent years, when spargers had proved their advantages, an appreciable number of bidding specifications specified spargers to the exclusion of tubes, but even then, as they also specified knee-action risers, Defendant was usually unable to sell the spargers. Plaintiff sold direct copies of Defendant's spargers. Sometimes Plaintiff sold these copies "tied" to the risers in the offer of sale, thus precluding Defendant from selling spargers for Plaintiff's risers; and sometimes, when the purchaser's consulting engineer insisted on separate bidding, Plaintiff bid the spargers at a low price effectively excluding profitable sale by Defendant. Such prices can best be explained by Plaintiff [fol. 86] having let the profit portion of the price be largely absorbed by a high price for knee-action risers, or having accepted a lower than usual profit or lack of profit for the purpose of excluding Defendant's sales. No other explanation is known.

Estimate of Profits Lost

21. An estimate of the profits lost by Defendant because of the existence of the patent in suit is $500,000. This is based on the following:

Plaintiff's advertisement dated 10-61 advertises "15,000 swing diffuser aeration units of all models successfully operating from 1937." Defendant esti-

mates that at least two-thirds of these would have been sold in the post war years when Defendant would have been competing, and that Defendant would have sold at least one-fifth of these. In fact, Defendant was, during those years, the only substantial competitor of Plaintiff as to diffusion assemblies and would have expected to sell around half of the units, on that basis, but recognizes that without the patent there would have been other competition. Thus, Defendant estimates it would have sold 2,000 swing diffuser units. Defendant estimates its profit would have been around $250 per unit in a highly competitive market without the patent, thus accounting for the $500,000 estimated gross profit.

Specific Instances of Loss By Defendant

22. There were instances where Defendant had received orders or was low bidder for aerator equipment but lost them because of the patent:

(1) At Tomah, Wisconsin, Defendant was low bidder for mechanical aerators. The City was then persuaded to change to diffused air, specifying knee-action swing diffusers, and because Defendant could not bid such [fol. 87] swing diffusers on account of the patent in suit, Defendant lost this job. The estimated profit thus lost was $1,500.

(2) At Bergen County, New Jersey, in 1959, knee-action swing diffusers with spargers were specified. Defendant was low bidder for spargers only and by negotiation got the order for the remainder of the swing diffusers. The specification required a manufacturer who had successfully built equipment of the same type for at least five years. Defendant's offer under its order from the contractor was disapproved by the Consulting Engineers, the disapproval being dated December 11, 1959. No reason not attributable to the patent is known. The patent could be responsible directly (purchaser's fear of patent troubles although the patent was about to expire), or indirectly (Defen-

dant's lack of experience having resulted solely from fear of the patent in Plaintiff's hands). The estimated loss of profit on this job was $10,600.

(3) At Asbridges Bay, Canada, again shortly before the patent expired, Defendant obtained an order from the contractor for swing diffusers with spargers, as specified. Again the defendant was disapproved directly or indirectly because of the patent. Estimated loss of profit on this job was $37,000.

(4) At Phoenix, Arizona, Defendant had the contractor's order for swing diffusers with carborundum tubes, as specified. The consulting engineer refused approval, again for no stated reason other than lack of experience. Here fear of the patent may have been an element, although this job involved only treatment of water which is not within the claims of the patent, all claims specifying treatment of sewage.

[fol. 88] (5) At Roanoke, Virginia, for 1959 additions to the plant, swing diffusers with spargers were specified. Defendant received the order, but because of the patent, offered single pivot swing diffusers. Tentative approval was given, but after these were furnished, final approval was refused. After the patent expired, Defendant furnished knee-action swing diffusers which have been approved. The estimated loss (cost of furnishing the single swing units, and extra costs dependent upon replacement, not the costs of the final units which would have been furnished in the first place without the patent) is $25,000.

Even Maximum Awards Would Only Partially Heal Defendant's Damage

23. Defendant continues to lose business because engineers, presumably copying specifications furnished by Plaintiff, specify that the manufacturer must have had five years successful experience with the same type of equipment. Recovering attorneys fees and even the lost profits would therefore not fully overcome the damage to Defendant. It would, however, help Defendant try to

minimize said damage by diligent promotion, since it would put Defendant in more nearly the financial position it would have been in had it received said profits.

Plaintiff's Extra $12,000,000-$24,000,000 Profit Under Patent

24. Information reaching Defendant and believed reliable indicates that Plaintiff now sells swing diffusers profitably at prices in the range of $50 per foot of header length, but that in non-competitive conditions before the patent expired, Plaintiff was charging in the range around $150, possibly sometimes higher. Assuming a $15 gross profit per foot now, an assumption believed reasonable, even [fol. 89] a price of $100 per foot ($50 above present competitive prices) would have more than quadrupled Plaintiff's profits; providing a total of $12,000,000 extra profit on its 15,000 diffuser assemblies.

Verification

The undersigned, an officer of the Defendant, Walker Process Equipment, Inc., hereby swears that he has assisted in the preparation of the foregoing paragraphs 18 to 24 and has read the same and believes it to be truthful. The facts in paragraphs 18-20 relative to Defendant are of his own knowledge, and the rest are of his knowledge or on information believed to be reliable, as are the other facts stated not apparent on their face to be from other sources.

A. W. Nelson, V.P.

State of Illinois,
County of Kane, ss.

Subscribed and sworn to before me this 30th day of October, 1962.

Frank Voris, Notary Public.

(Seal)

Prayers for Relief

Wherefore, Defendant, Walker Process Equipment, Inc., prays:

For a declaratory judgment that the patent in suit is invalid and/or is not infringed.

For adjudication that the patent was sought and maintained and here asserted by Plaintiff with knowledge denied under oath of facts not disclosed to the Patent Office as to Plaintiff's own sales of diffusers, delivery, installation according to the patent and public use thereof, more [fol. 90] than a year before the filing date, and that this constitutes a fraud on the Patent Office and on this Court, and a violation of antitrust laws.

For adjudication that Plaintiff's use of the patent to monopolize sale of equipment not the subject of the patent constituted a violation of antitrust laws.

For an award of treble damages and, unless the provable amount of actual damages is adequate, an award of general punitive damages.

For an award of costs, attorney's fees and expenses of litigation.

Louis Robertson, Darbo, Robertson & Vandenburgh, P.O. Box #67, 15 North State Road, Arlington Heights, Illinois, Attorneys for Defendant.

[fol. 91] Clerk's Certificate to foregoing transcript (omitted in printing).

[fol. 92]

IN THE UNITED STATES COURT OF APPEALS

FOR THE SEVENTH CIRCUIT

No. 14466—September Term, 1963

April Session, 1964

FOOD MACHINERY AND CHEMICAL CORPORATION,
Plaintiff-Appellee,

v.

WALKER PROCESS EQUIPMENT, INC., Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

OPINION—July 15, 1964

Before Castle, Kiley and Swygert, Circuit Judges.

KILEY, *Circuit Judge.* The questions before us are whether the district court erred in striking, for failure to state a claim upon which relief could be granted, Rule 12(b)(6), FED. R. CIV. P., the second amended counterclaim of Walker Process Equipment, Inc., which alleges that Food Machinery and Chemical Corporation violated the federal anti-trust laws by maintaining and enforcing a patent which was obtained through fraud upon the Patent Office; and whether the district court abused its discretion in refusing to award Walker attorney fees after dismissing, with prejudice, Food Machinery's infringement suit on the latter's motion. We think the court did not err in either ruling.

The second amended counterclaim alleged that Food Machinery "illegally monopolized interstate and foreign commerce by fraudulently * * * obtaining and maintaining" Lannert patent No. 2,328,655. The fraud alleged was that Food Machinery had knowingly made a false statement

under oath to the Patent Office when it filed the patent [fol. 93] application and stated that it "does not know and does not believe the same [the invention claimed in the application] was * * * in public use or on sale in the United States for more than one year prior to this application;" when it knew that more than one year prior to its application it had sold and installed equipment containing the combination claimed in the patent; and that the acts complained of deprived Walker of profitable business it would otherwise have had, listing several specific orders it lost because of the patent in suit. Walker requested an award of treble damages, punitive damages, costs, attorney fees and expenses.

The court, in an oral opinion, found that Walker was attempting to use the issue of fraud to do indirectly what it could not do directly, *i.e.*, procured a cancellation of the patent in suit; and concluded no claim was stated upon which it could grant relief.

Walker's suit is based on the theory that since it is illegal under the anti-trust laws to extend the protection of a legally issued patent to obtain a monopoly on an unpatented product, *Mercoid Corp.* v. *Mid-Continent Investment Corp.*, 320 U.S. 661 (1944), it should be illegal to secure a monopoly on an unpatentable product by use of a fraudulently obtained patent. Walker candidly admits it "knows of no anti-trust case which has involved the exact violation of the anti-trust laws" alleged in its counterclaim. It concedes that under *Mowry* v. *Whitney*, 81 U.S. (14 Wall.) 434 (1871), only the government may "annul or set aside" a patent, but it contends this is not such a proceeding, asserting that "an attack on the validity of a patent," such as here, is totally dissimilar from "an attempt to cancel a patent." It claims that since fraud on the Patent Office can be determined as a matter of defense without violating the concept that only the United States can bring a suit to cancel a patent, *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Mach. Co.*, 324 U.S. 806 (1945), it must follow that determination of such fraud in an anti-trust action is not barred because

of that concept. However, besides offering an analogy to the cases involving patent misuse, Walker offers no other support of its claim.

[fol. 94] Although patent misuse may be the basis of an independent anti-trust action, *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U.S. 661 (1944), Walker shows us no case in which the issue of fraud on the Patent Office was used affirmatively in an anti-trust action. And although fraud on the Patent Office may bar recovery by a patentee in an infringement action, *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Mach. Co.*, 324 U.S. 806 (1945), *Hazel-Atlas Co.* v. *Hartford-Empire Co.*, 322 U.S. 238 (1944), fraud may not be the basis of having a patent declared invalid in a declaratory judgment action. *E. W. Bliss Co.* v. *Cold Metal Process Co.*, 102 F.2d 105 (6th Cir. 1939), *I.C.E. Corp.* v. *Armco Steel Corp.*, 201 F.Supp. 411 (S.D.N.Y. 1961). Neither *Hazel-Atlas*, nor *Precision*, nor *Mercoid* decided, or hinted that fraud on the Patent Office may be turned to use in an original affirmative action, instead of as an equitable defense.

Since Walker admits that its anti-trust theory depends on its ability to prove fraud on the Patent Office, it follows that the district court was correct in deciding that Walker's second amended counterclaim failed to state a claim upon which relief could be granted.

The district court analyzed Walker's case and the applicable law when ruling on Walker's motion for fees. This analysis obviates the idea of arbitrariness. And we are further of the opinion that the record would not warrant a finding that this is an "exceptional" case. 35 U.S.C. §285.[1] *Aerosol Research Co.* v. *Scovill Mfg. Co.*, —— F.2d —— (7th Cir., No. 14251, decided June 3, 1964).

For the reasons given, the order disallowing the fees, and the judgment on the counterclaim are affirmed.

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[1] 35 U.S.C. §285 provides that "The court in exceptional cases may award reasonable attorney fees to the prevailing party."

[fol. 95]

IN THE UNITED STATES COURT OF APPEALS

FOR THE SEVENTH CIRCUIT

Before Hon. Latham Castle, Circuit Judge, Hon. Roger J. Kiley, Circuit Judge, Hon. Luther M. Swygert, Circuit Judge.

No. 14466

FOOD MACHINERY AND CHEMICAL CORPORATION,
Plaintiff-Appellee,

vs.

WALKER PROCESS EQUIPMENT INC., Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

JUDGMENT—July 15, 1964

This cause came on to be heard on the transcript of the record from the United States District Court for the Northern District of Illinois, Eastern Division, and was argued by counsel.

On consideration whereof, it is ordered and adjudged by this court that the order disallowing the fees, and the judgment of the said District Court on the counterclaim, in this cause appealed from be, and the same are hereby, Affirmed, with costs, in accordance with the opinion of this Court filed this day.

[fol. 96]

IN THE UNITED STATES COURT OF APPEALS

FOR THE SEVENTH CIRCUIT

Before Hon. Latham Castle, Hon. Roger J. Kiley, Hon. Luther M. Swygert.

[Title omitted]

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

ORDER DENYING PETITION FOR REHEARING—August 14, 1964

It Is Hereby Ordered by the Court that the petition for rehearing of this cause be, and the same is hereby, Denied.

[fol. 97] Clerk's Certificate to foregoing transcript (omitted in printing).

[fol. 98]

SUPREME COURT OF THE UNITED STATES

No. 602, October Term, 1964

WALKER PROCESS EQUIPMENT, INC., Petitioner,

vs.

FOOD MACHINERY AND CHEMICAL CORPORATION.

ORDER ALLOWING CERTIORARI—January 18, 1965

The petition herein for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.